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ABSTRACT

The main objectives of this report are to analyze the Nepalese experience in educational finance between 1965-66 and 1969-70 while a major educational reform was being implemented; to assess the general effects of the decentralization of educational finance on the levels and sources of finance; to assess the effects of this decentralization on first- and second-level school enrollments in areas where universal, free, compulsory education was introduced and to compare them with other areas; and to evaluate the differences in achievement between the areas. (Author/IRT)

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Financing educational systems: specific case studies 8

Financing first-level and second-level education in Nepal

Nilakantha Rao Padhye

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Aims and methodology of the IIEP research project on financing educational systems

This research project, launched by the International Institute for Educational Planning early in 1970, originated in an inquiry as to the real possibility of the developing countries financing their educational objectives in the course of the United Nations Second Development Decade, bearing in mind the high level of expenditure that has already been reached in most cases, the constant rise in unit costs, and the increasing competition within the state budgets themselves that education will probably encounter in the future from the financing of productive investments, debt servicing, and other predictable expenditures.

Viewed in this light, therefore, the research is not strictly limited to the study of financing techniques, but has wider aims:

1. To explore the real weight of probable financial constraints on the development of educational systems up to 1980.
2. To study the various financing methods likely to augment resources, and to define a strategy of educational financing more closely adapted to social and economic realities.
3. To analyse certain alternative solutions (new structures, new technologies, etc.) capable, by reducing costs or improving the efficiency of the teaching process, of leading to a better balance between educational targets and the resources available for them.

In addition to these extremely concrete objectives, concerned with the real problems facing educational planners in all countries, the collation of the essential data should provide the basis for the answers to more theoretical questions, affecting, for example, the type of correlation between educational expenditure and the level of development, between the level of expenditure and the method of financing, between the level of unit costs and the development of the educational system, etc.

With these aims in mind, two types of study are being undertaken:

1. National case studies for the retrospective (1961-70) and prospective (1980 or beyond) analysis of the expenditure, financing and costs of educational systems in the widest and most representative possible sample of countries - at least fifteen; these studies should, as already stated, reveal both the magnitude and the nature of the

financial constraints to be expected in the general framework of the development of the economy and of the finances of the state, and the level and various alternative forms for the possible development of educational systems. These studies will thus cover the whole field of educational financing, costs, and policies in each country concerned.

2. Specific case studies covering, first, the different possible methods of financing (centralized, decentralized, public, private, etc.) and, especially, original ways of raising supplementary resources, and, secondly, the study of new educational solutions calculated to reduce costs.

These studies are being carried out in Member States by the IIEP in close collaboration with national specialists, either from government departments or from universities; in many cases the research is a concerted effort by the IIEP and the country concerned, for the common benefit of both parties and of the international community as a whole.

This project will culminate in a synthesis report summing up the findings relating to all the problems posed. The studies themselves are being published as single monographs in the collection 'Financing educational systems', comprising two series, one of country case studies and one of specific case studies.

The financial outlay for the implementation of this ambitious project could not be provided from Unesco's basic grant to the Institute. The IIEP is deeply grateful to the Member States and various organizations who, by their voluntary contributions, have enabled it to launch and pursue this research: in particular to SIDA (Swedish International Development Authority), NORAD (Norwegian Agency for International Development), DANIDA (Danish International Development Agency), CIDA (Canadian International Development Agency), the Republic of Ireland, and the Ford Foundation. The Institute is also deeply indebted to the Member States and national specialists in various parts of the world who have agreed to co-operate with the IIEP in carrying out these studies. The publication by the IIEP of certain studies by outside consultants does not necessarily imply, however, the Institute's agreement with all the opinions expressed in them.

Preface

This study on financing primary and secondary education in Nepal by Mr. Nilakantha Rao Padhye deals with a country where the development of schooling is considerably hindered by the lack of resources.

While schooling had hitherto been neither free nor compulsory, in 1964 new legislation authorised the 'panchayats', the decentralised administrative districts, to decide, on their own, whether primary schooling was to be compulsory and free. These measures were financed by additional taxes instituted to this end. This study by Mr. Padhye aims mainly at assessing the results of these measures in the districts where they were adopted in comparison with districts where the old system has remained in effect.

To do so the author identified three zones within the country; the first includes the capital, Kathmandu, and the surrounding region because of the specific character of this relatively urbanised zone; the second corresponds to a sample of districts where schooling has remained optional; the third includes those districts which have adopted the programme for compulsory, free schooling. After describing the existing administrative system, and analysing the structure of the school system, the means and mechanisms of financing and controlling primary and secondary schools, the author devotes the body of his report to comparing the conditions of school attendance in the three zones.

The consequences of the financing reform adopted by certain 'panchayats', explained above, become very clear when analysing the origin of the resources of primary schools in the three zones under consideration:

- The share of local public financing is nil in the Kathmandu region, small or slight (less than 5 per cent) in the zone where schooling remains optional; it has, however, become very high in the zones where free, compulsory schooling has been adopted (52.4 per cent in 1970);
- conversely, the share of national government public financing varies respectively from 29.2 per cent to 42 per cent and 28.2 per cent;
- financing from private sources varies concomitantly: 70.8 per cent, 53.5 per cent and 19.4 per cent in the three zones. Within

financing from private sources, the level of the actual school fees is respectively 38.7 per cent, 8.9 per cent and 0 per cent, the recent trend being an increase in private financing in the Kathmandu region, a noticeable drop in compulsory schooling zones and stability in the other regions.

Unit costs of primary schools vary significantly in the three zones. The minimum (Rs. 38) is to be found in the compulsory schooling zone where a drop of about 25 per cent occurred between 1966 and 1970 as a result of the rapid growth in school attendance. The maximum is to be found in Kathmandu (Rs. 54) where an increase of 110 per cent was recorded over the same period.

The effectiveness of compulsory schooling and the financing reform can also be seen on enrolments: for the first four years of primary schooling, the level of enrolments increased by 40 per cent in the optional schooling zones, by 56 per cent in the Kathmandu region and by 310 per cent in the compulsory schooling zones, showing the effectiveness of this measure.

At the level of general secondary education, private financing is very important in all zones (over 70 per cent) and, most especially in zones where primary schooling is compulsory (90 per cent). Between 1966 and 1970, unit costs of secondary schools, primarily as a result of the increase in the pupil/teacher ratio, decreased in all zones: 25 per cent in the Kathmandu region, 37.5 per cent in the zones with compulsory primary schooling, 45 per cent in the third zone. Unit costs vary from Rs. 131 in Kathmandu to Rs. 250 in the third zone. Similarly, over the same period, the level of enrolments rose by 100 per cent in Kathmandu, by 185 per cent in zones with optional primary schooling and by 265 per cent in zones with compulsory primary schooling.

In each of these levels, the author analyses the factors affecting developments in school attendance in the different regions (level of economic development, teaching conditions, possibilities of private sector financing, relationships between student numbers in the primary and secondary levels, etc.). He also points out the importance of salaries in unit costs and explains the differences in costs between the zones by the average pupil/teacher ratios (which vary from 12 to 13), the percentage of qualified teachers (18.4 per cent on average in certain zones, 26.3 per cent in others) and the average salary (Rs. 1 680 in districts with optional schooling as opposed to Rs. 2 663 in districts with compulsory schooling).

Not all the lessons which can be drawn from this study are contained in the author's conclusions. In particular, those concerning the relationships between current and capital expenditures, between public and private financing, between the rise in enrolments and the financing system, can be formulated only in the consolidated comparison which the IIEP will draw up when all the country studies are completed.

Mr. Padhye's very original study throws considerable light on the financial factors in the educational policy of Nepal. In this respect,

not only does it constitute an important contribution to the knowledge of the problems of financing education, but also to the methodology of educational planning.

The IIEP is grateful to the authorities and national specialists of Nepal for the extremely active help they were kind enough to extend to the author in the preparation of this work.

Raymond Poignant

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The author, Mr. Nilakantha Rao Padhye, is Under-Secretary of the Planning, Statistics and Research Division of the Ministry of Education, Nepal. The paper has been edited and revised at the IIEP by Messrs. J. Hallak and J. McCabe. Mr. Padhye is also co-author of the study on school mapping 'The District of Kaski, Nepal'.

The IIEP is grateful to the staff of the Nepalese Ministry of Education whose kind co-operation made this paper possible.

Introduction

A. OBJECTIVES OF THE CASE STUDY

Nepal is a developing country with a young, fast-growing and largely rural population. As for most developing countries in similar circumstances, the availability of finance must increasingly impose constraints on the rapid development of education, which is sought for both economic and social reasons. It is of vital importance that optimal use be made of available finance. For this purpose, it is essential that an attempt be made to analyse recent financing trends, irrespective of the obstacles posed by lack of statistical data. Indeed, this case study, for lack of precise data, must strictly speaking remain rather a statistical survey than a rigorous financial analysis of first- and second-level education. It may be added, however, that already big improvements are being made in the collection and collation of the relevant data and information; this in itself is an important development and will facilitate more profound cost and financing analysis in the future.

The main objectives of the present report, which was undertaken by the Ministry of Education in Nepal in collaboration with the International Institute for Educational Planning, may be summarized as follows:

(a) To analyse the Nepalese experience in educational financing between 1965/66 and 1969/70, while a major educational reform was being implemented;
(b) to assess the general effects of the decentralization of educational financing on the levels and sources of finance;
(c) to assess the effects of this decentralization on first- and second-level school enrolments in areas where universal free compulsory education was introduced and to compare them with other areas;
(d) to evaluate the differences in achievement.

B. SCOPE AND LIMITATIONS

The study deals comparatively with financing, expenditure and cost trends vis-à-vis enrolment development between 1965/66 and 1969/70.

For comparative analysis purposes, three areas typifying major differences in the country were chosen. While the analysis undertaken is mainly quantitative, nevertheless, pedagogical, social and other non-quantitative aspects are considered throughout. Inevitably, the data used in some instances rely upon estimates and value judgements, but the validity of the diagnosis, which is based on orders of magnitude rather than on precise figures, does not diminish in any sense on that account.

The three areas selected for comparative study are illustrated in the map on page 15 and are as follows:

1. Kathmandu - containing the central government political and administrative headquarters - highly urbanized and relatively well developed;
2. FCE area - comprising the Chitwan and Jhapa districts, which are rural and relatively underdeveloped and in which the free and compulsory education programme was launched;
3. 'Other' areas - consisting of a sample of twenty-six of the remaining districts having characteristics generally representative of all the other zones of Nepal.

C. BACKGROUND DATA

In addition to highlighting these areas chosen for comparative study, it is appropriate at this point to outline some relevant background data on the country itself, which may be summarized as follows:

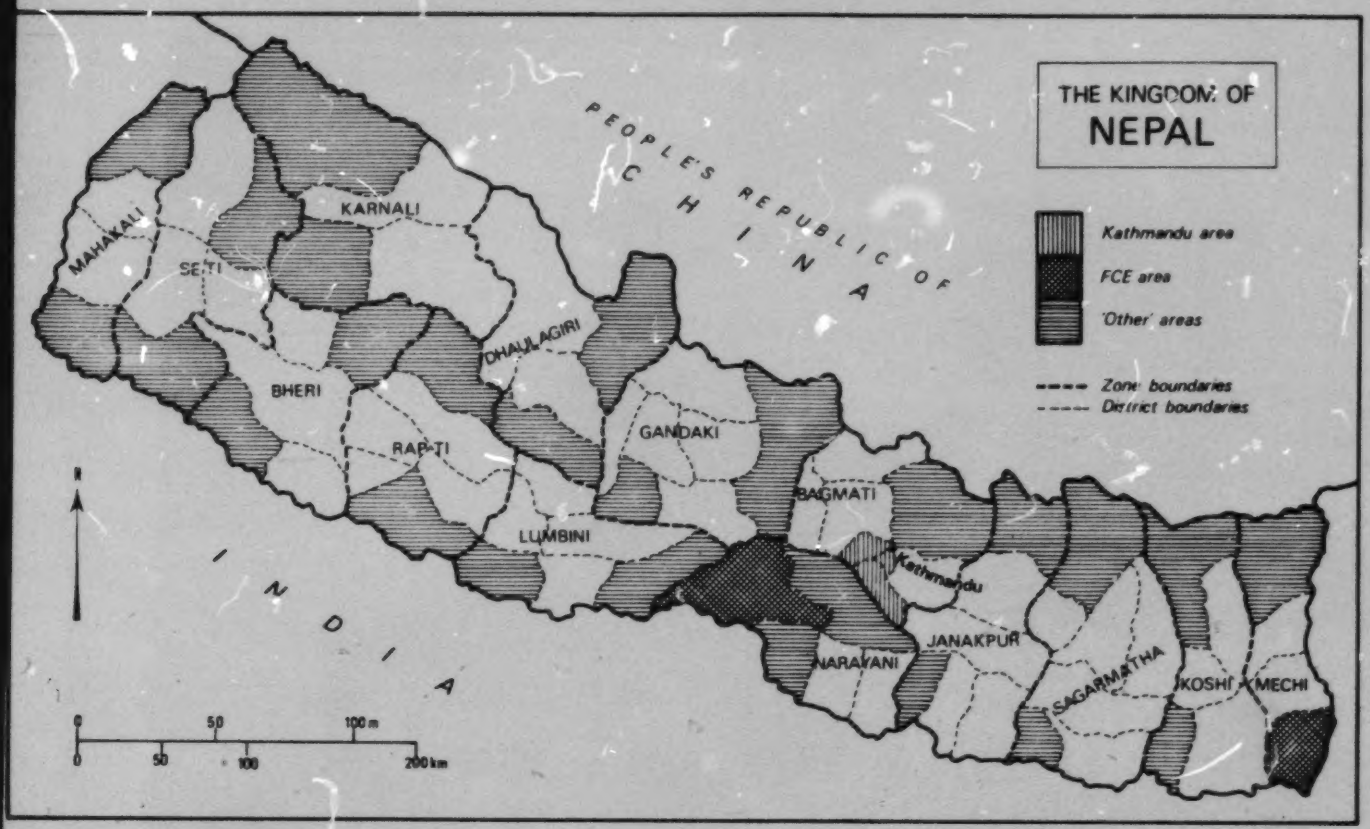
- Geography: area 54 362 square miles (141 400 sq. kms.), situated between India and China, which can be divided geographically into:

(a) tropical zone of Terai up to 4 000 feet (1 300 metres);
(b) temperate zone of mountains and valleys at 4 000-10 000 feet (1 300-3 300 metres);
(c) northern zone, main range of the Himalayas at 10 000-29 000 feet (3 300-9 500 metres);

- Demography: population about 11 millions with an annual growth rate of 2 per cent; age distribution is:

(a) 0-14 years about 40 per cent;
(b) 15-59 years about 55 per cent;
(c) over 60 years about 5 per cent.

- Political organization: an independent sovereign Hindu Kingdom. The King of Nepal, who appoints the Prime Minister and other Ministers and is aided under the Constitution by a Council of Ministers in the exercise of his executive functions, is the source of all executive, legislative and judicial powers. A panchayat system of democracy was introduced in 1962 with the main objectives of mobilizing human and physical resources and developing local leadership. With this decentralization, a comprehensive local authority system of government was established under which seventy-five district panchayats will have statutory powers


THE KINGDOM OF
NEPAL
Kathmandu area
FCE area
'Other' areas
Zone boundaries
District boundaries
PEOPLE'S REPUBLIC OF
CHINA
INDIA
MAHAKALI
SETI
KARNALI
BHERI
CHAULAGIRI
RAPTI
GANDAKI
LUMBINI
BAGMATI
Kathmandu
JANAKPUR
NARAYANI
SAGARMATHA
KOSHI
MECHI
0 50 100 km
0 50 100 200 km

relating especially to the development of education, health and agriculture; district panchayats may in turn delegate some powers to local panchayats. Village and town panchayats elect members to district panchayats, which are organized into 14 zonal committees. The National Panchayat (parliament) has a membership of 125, of whom 35 are nominated and the remainder are elected district panchayat members - at least one from each district.

- Economy: about 95 per cent of the population depends on agriculture; 20 per cent of the country's surface area is under cultivation and some 65 per cent of the GDP[1] comes from the agricultural sector. Per capita annual income is below that of India, Pakistan and Ceylon. About 95 per cent of foreign trade is with India; food accounts for about 65 per cent and finished goods for some 13 per cent of exports. Although there are 1 400 km. of all-weather roads, lack of surface communications is a major obstacle to the economic development in this land-locked country. There is an interior air service and air links from the capital to neighbouring countries are being developed.
- Education: the 5-3-2 structure is to be reformed to a 3-4-3 system. The apparent enrolment ratio for first-level education (6-10 years), which is mainly state-aided, is about 35 per cent. The admission rate to second-level education, which is, in the main, privately financed, is around 65 per cent of grade V. The 24 degree-granting colleges and 12 junior colleges, all affiliated to the National University, have a total enrolment of approximately 15 per cent of all second-level enrolments, with a 19 per cent ratio of girls. Courses are strongly biased towards the liberal arts. Legally, education is governed by the University Act and the Education Act of 1967 wherein departmental regulations are stated.

D. STRUCTURE AND APPROACH

In Chapter I, the organizational structures of the government and educational administration are described. Then, in Chapter II, mechanisms and procedures of financing for first- and second-level education are given.

A comparative analysis of the trends in financing by source and level is undertaken in Chapter III for the period 1965/66 to 1966/70, when decentralization of the political organization and educational administration was effected and the 'free and compulsory education' programme was introduced. The absolute and relative trends for public and private financing of education are examined for the areas under study.

In Chapter IV, the development of enrolments over the period is traced comparatively by area and relevant data on schools and teaching staff are examined.

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1. GDP = gross domestic product.

The evolution of recurrent and capital expenditure over the period is traced in Chapter V. Absolute, relative and unit cost trends for recurrent expenditure are first assessed, capital expenditure trends are surveyed, together with an overview of the relationship of finance to expenditure.

Finally in Chapter VI, a summary of the findings and conclusions are given.

I. The structure of Nepalese administration

The main interest in this chapter is in the organizational structure and functions of government administration and of the administration of education.

A. GOVERNMENT ADMINISTRATION

(i) Different administrative levels

In Nepal, there are four separate but closely related categories of administrative organization: (a) the state or the central government administration; (b) the zonal administration; (c) district administration; and (d) the village administration. This administrative structure is illustrated in Figure 1.

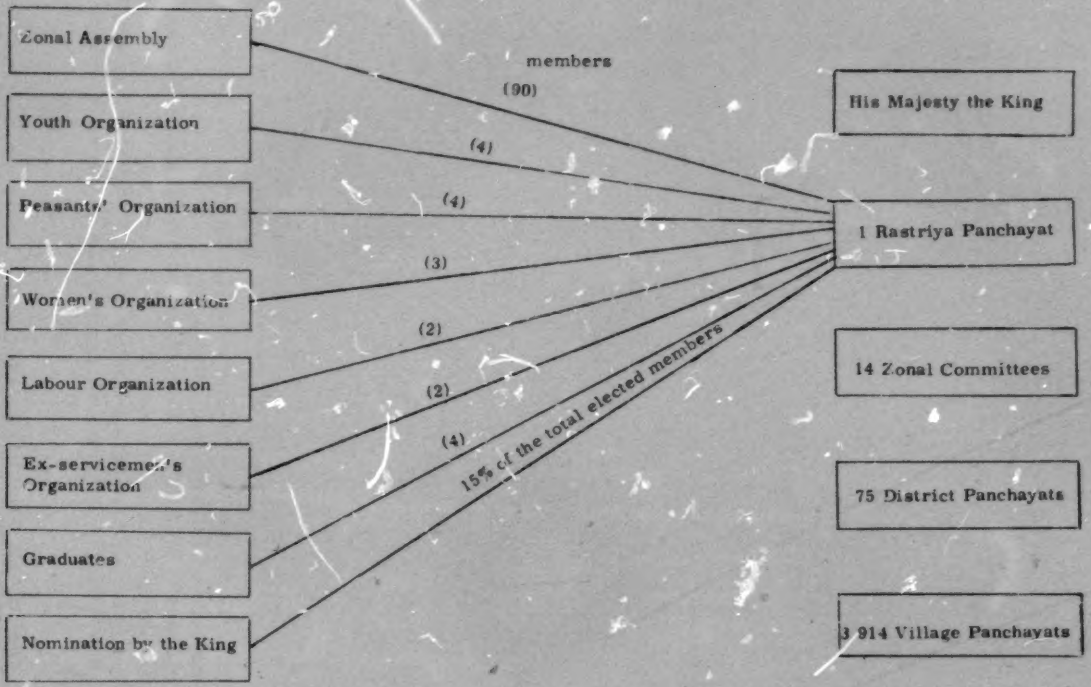
(ii) Central administration

First and most important is the whole fabric of the central administration, comprised of a number of ministries and agencies which are controlled and supervised by ministers with the help of civil servants. The main administrative organization of His Majesty's government is the Council of Ministers (the Cabinet). The King of Nepal is not only Head of State but also Head of the Government. Normally the Prime Minister presides over the meetings of the Council of Ministers. The Council of Ministers is responsible to the King and to the parliament.

(iii) Zonal administration

In each of the 14 zones of Nepal there is a Zonal Commissioner appointed by His Majesty as the administrative head of the zone. Provision is made for a zonal committee to aid and advise the Zonal Commissioner in the exercise of his functions.

FIGURE 1. GOVERNMENT ADMINISTRATION



(iv) District administration

For administrative purposes the 14 zones are further divided into 75 districts. The district panchayat is the administrative body which conducts district-level administration. The Chairman of the district panchayat exercises his power in consultation with the Chief District Officer (CDO) who is appointed by His Majesty's Government (HMG) of Nepal. Until recently each CDO worked as the secretary to the chairman of the district panchayat, but the Ordinance of 1971 has removed this particular role of the CDO and has made his position more distinct and significant.

(v) Village administration

The village and the town panchayats are the administrative bodies at the village and town levels respectively. While the membership of village panchayats is fixed at 11, that for town panchayats varies with the population size.

(vi) Role of the central administration

The role of the central government is to exercise control over the administration of the kingdom, to formulate suitable policies and to give general direction to the zonal, district and village panchayats. The responsibility of co-ordinating the work of the zonal, district and village administrations also lies with the central administration. The division of work between the different ministries, working procedures, powers and functions for all levels of administration have been fixed by law. The Work Distribution Regulation of 1960, Working Procedure Regulation of 1971, Civil Service Code, etc., are among the chief regulations. The central government exercises its role in accordance with the following guidelines:

(a) To safeguard the solidarity and the sovereignty of the country;
(b) to bring all-round development to the country by raising the living standards of the people;
(c) to remove all kinds of socio-economic bottlenecks for the economic development of the country;
(d) to create a social climate in the country that would encourage the people to take an active part in the task of nation-building.

(vii) The role of the zonal administration

The role of the zonal administration is as follows:

(a) To maintain peace and order in the zone;
(b) to exercise general supervision and control and bring about co-ordination in the work of the zonal-level offices of the Government;

(c) to study and inspect the general working procedures of the district, town and village panchayats in the zone;
(d) to discharge other functions according to the orders and directives issued by HMG from time to time; and
(e) to give necessary direction to the district administration to implement the decentralization scheme of the government.

(viii) The role of the district administration

The role and functions of the district administration are as follows:
(a) To implement the decisions of the district panchayat;
(b) to exercise supervision and control and to bring about co-ordination in the work of the district-level offices of the government;
(c) to perform other functions according to the orders or directions issued by the government from time to time;
(d) to carry out the orders of the zonal administration.

The CDO has been provided with all the administrative powers of a departmental head in the case of the district-level offices of the government. Formerly the CDOs were working as the secretaries of the district panchayats and were responsible for carrying out the function of the district administration. Recently the panchayat development officers of the districts have been made secretaries of the district panchayats. This has made the role of the CDO more important than before because he can now watch and control the activities of the district panchayat without being personally involved.

(ix) The role of the village administration

(a) To conduct surveys and to supply necessary data on the area;
(b) to establish co-operative societies;
(c) to provide agricultural extension services;
(d) to collect land revenue;
(e) to develop first-level and adult education;
(f) to promote minor irrigation projects;
(g) to provide primary health services.

B. THE ADMINISTRATION OF EDUCATION

(i) Educational reform

Parallel with the national decision to decentralize political and administrative structures, the aim was to decentralize the educational system for decision-making, participation and finance-raising purposes. Thus the Village and Town Panchayat Amendment Acts of 1964 and 1965 respectively empowered local authorities to raise an education tax to meet the cost of the Free and Compulsory Education Programme. It

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was intended that the formation of district education committees and school management committees would initiate the mobilization of human and physical resources, co-ordinate village, district and national activities and encourage a greater self-help output in terms of cash, materials and labour. Finally, it was also aimed to raise standards by encouraging the local authorities to employ trained teachers. The organizational structure of educational administration is shown in Figure 2. With a few rare exceptions for state-owned schools, all first and second-level schools are publicly owned by the school management committee, which is the responsible local authority.

(ii) First and second-level education

The structural reform is shown in Table 1.

Table 1. The structural reform of the educational system

	School year									
	1	2	3	4	5	6	7	8	9	10
Pre-reform										
Primary	x	x	x	x	x					
Middle						x	x	x		
High						x	x	x	x	x
Post-reform										
First level	x	x	x							
Lower second level				x	x	x	x			
Higher second level								x	x	x

The aim of the first-level school curriculum is to make pupils literate.

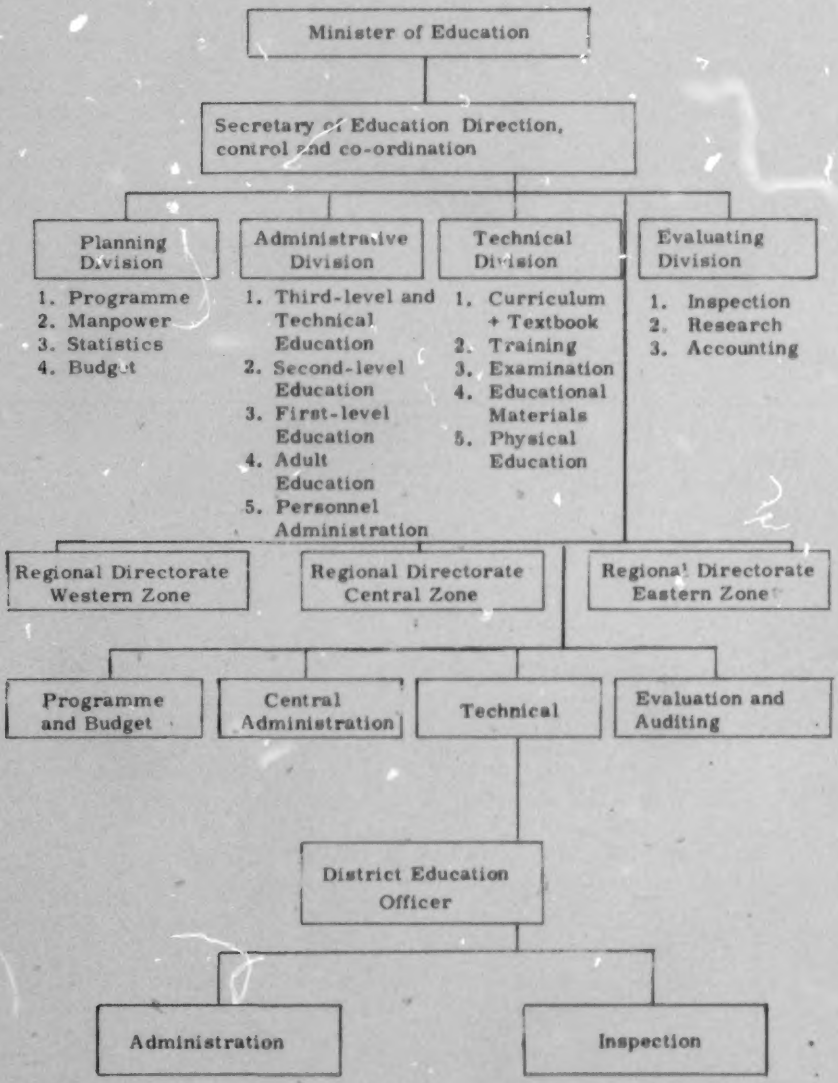
General and pre-vocational subjects will be taught at the lower second level. Higher-stage second-level education will be of three types: General : mainly a general curriculum with some vocational subjects; Sanskrit : mainly a general curriculum but with emphasis on Sanskrit; Vocational: emphasis on vocational subjects such as agriculture, home science, trade and industry, secretarial studies.

A list of technical training centres run by different ministries is given in Appendix A.

(iii) Third-level education

Tribhuvan University, the only university in the country, will function as an autonomous body within the regulations laid down by the National

FIGURE 2. ADMINISTRATIVE ORGANIZATION



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Education Committee.[1] The university has responsibility for all third-level education and comprises thirteen institutes, as follows: veterinary sciences and agriculture; engineering; medicine; applied science and technology; arts, humanities and social sciences; general sciences; fine arts; business, public administration and commerce; sanskrit studies; education; law; Nepalese; and Asiatic studies.

The main objective of third-level education is to produce trained manpower and for this purpose it is divided into four levels as follows:

(a) Certificate level: low-level manpower;
(b) Diploma level : middle-level manpower;
(c) Degree level : high-level manpower;
(d) Research level : specialized manpower.

The length of course for these levels will be determined by the institute concerned and may differ within levels. (See Appendix B for the university organizational chart.)

(iv) Adult education

The Ministry of Education, aided by other ministries, spearheads the drive to promote literacy (rate for literacy advanced from 1 per cent in 1950 to 11.8 per cent in 1970) and functional adult education. Voluntary organizations also assist in this campaign.

(v) National Education Committee

A high-level national education committee will be formed to implement the National Education Plan and will have the following main functions:

(a) To formulate policies and issue directives;
(b) to co-ordinate the functions of Tribhuvan University, the Ministry of Education and other educational agencies;
(c) to evaluate the progress of the entire educational programme;
(d) to report to His Majesty the King from time to time on educational progress;
(e) to clarify the plan as required.

(vi) Central educational administration

The central government plays a very significant role in the educational administration of the country. At the head of the Ministry of Education

1. Tribhuvan University was established under the University Act of 1959. It is a self-governing and organized corporate body, competent to exercise its powers and duties under the provision of the University Act. The autonomy and functions of the University are given in Appendix C.

there is a Minister of Education of cabinet rank who is responsible for the administration and development of all levels of education. Often the Minister of Education has to look after the work of more than one ministry, hence there is provision for an Assistant Minister of Education. Below the Assistant Minister of Education, there are a number of permanent civil servants recruited by the Public Service Commission for various functions. The executive head of the ministry is the Secretary of Education, a senior civil servant. He, in turn, is assisted by the Joint Secretary in the ministry and by the Director-General in the Department of Education.

There are two main organizations at the central level for the development of education in Nepal - the Department of Education and the Ministry of Education. The Department of Education, which functions under the Ministry of Education, is responsible for the over-all development of first-level, second-level, vocational and adult education in the country. The development of instructional materials, including textbooks, lies with the Department of Education. The office of the Controller of Examinations, which conducts the High School Leaving Certificate Examination on a nation-wide basis, comes under the Department of Education.

Within the organizational framework of the Ministry of Education, besides Unesco/Unicef affairs, there are separate divisions to look after third-level education, teacher training, physical education and administrative affairs. The formulation of educational plans originates in the different divisions of the Department and the Ministry of Education and is co-ordinated by the Planning Division, Statistics Section of the ministry. The Planning Division keeps contact with the National Planning Commission for all matters relating to the formulation, implementation and revision of educational plans. (A detailed organizational chart of the Ministry of Education is given in Appendix D.

The development of education in Nepal is thus divided between the Ministry and the Department of Education. In academic matters the institutions of third-level education are controlled by Tribhuvan University, but in other matters they are controlled by the ministry. Technical schools do not come under the Ministry of Education. At present, not all types of education in the country are under a common umbrella, but under the New Education Plan they will all come within the responsibility of the Ministry of Education.

The Minister of Education is the final authority but he delegates some powers to the Assistant Minister and to the Secretary of Education. The Secretary of Education also delegates responsibilities to his subordinates.

The central government is the final authority on curricula for first- and second-level schools. The Central Curriculum and Text Book Committee, which is headed by the Secretary of Education, is composed of the sectional heads of the Department of Education, the heads of the College of Education and the National Vocational Training Centre, curriculum consultants of the Department of Education, the Chief Administrator of the Educational Material Organization, second-level

school headmasters, a university representative, subject specialists and persons interested in education.

Every year the central government prepares the budget for all types of first- and second-level schools in Nepal. The Ministry of Finance, after discussions with different authorities of the Ministry of Education, finalizes the budget and submits it for approval to the National Panchayat. The National Planning Commission member in charge of education keeps close contact with the authorities of the Ministry of Finance to ensure that sufficient budget has been made available to meet the targets of the National Education Plan.

For the promotion of educational quality the first-level teacher-training centres (one in the capital and four in different regions of the country) provide both pre-service and in-service training programmes to first-level school teachers. For the training of second-level school teachers the College of Education offers two-year I.Ed and four-year B.Ed courses for second-level school graduates. There is also a one-year B.Ed course for the liberal arts college graduates. In-service training programmes for first- and second-level school teachers are conducted by the Department of Education in close collaboration with the College of Education authorities.

(vii) Zonal education administration

In each zone there used to be one Zonal Education Officer, appointed by the central government to supervise middle (grade VI to VII) and high schools (grade VI to X). Since 1970, HMG has abolished the Zonal Education Offices and has entrusted their work to District Education Officers (DEOs) in the 29 districts selected for this study.

(viii) District educational administration

In 29 districts there are District Education Officers, there is an Education Inspector in each of the other 46 districts. The responsibilities of the District Education Inspector lie in the supervision of first-level and literacy education within the district. His powers and functions are laid down in the Education Code. The supervision of lower and higher second-level schools lies with the DEOs in the 29 districts in which they operate.

(ix) Institutional administration

The school management committees formed in accordance with the regulations in the Education Code, look after the management of individual schools. Therefore, it can be said that the institutional administration lies with the school management committee. The responsibilities of the headmaster are delegated by this committee.

(x) Establishment of schools

a. Primary

The District Education Office on the recommendations of a particular town or village panchayat, gives permission to establish a new first-level school.

The new school should have at least 20 pupils with one trained teacher per class. There must be adequate space and furniture and also a playground, and the local committee should be prepared to meet the cost of the school.

Recognition of new schools comes from the Department of Education on the recommendation of the DEO. This officer can withdraw recognition from any first-level school if conditions within the school are not satisfactory.

b. Second-level

To start a new second-level school the following conditions must be met:

(a) The new school should in no case hinder the development of neighbouring schools;
(b) provision should be made for at least two junior college graduates and three senior college graduates to teach in lower and higher second-level grades;
(c) the building should have adequate space, furniture, teaching materials and a playground;
(d) the local community should be ready to bear the cost of the school.

The Department of Education gives recognition to second-level schools on the recommendation of the DEO. The latter can withdraw recognition from a second-level school if he is not satisfied with the conditions at the new school. Prior to 1970 the Zonal Education Officers were responsible for the management of second-level schools.

(xi) Management of schools

Schools are managed by the school management committee. The composition of the first and the second-level school management committees are given in Appendix E.

The DEO, with the approval of the District Education Committee, can dismiss a school management committee and take appropriate measures to organize a new committee. The Department of Education also has the power either to form or to dismiss the school management committee of any school if it considers it proper to do so.

The powers and functions of the school management committees are as follows:

(a) To recruit qualified and trained teachers and to balance the finances of the school;

(b) to provide teaching materials and equipment for the school;
(c) to provide adequate space for classrooms, a playground, recreational activities, etc.

The District Education Committee is composed of: the chairman and one nominated member of the district panchayat; the chairman of a village or town panchayat; two second-level school headmasters; two first-level school headmasters; two persons interested in education; and the DEO.

The school management committees appoint or promote school teachers on the advice of the DEO. The qualification standards of teachers for different levels of education have been the following:

(a) First-level school: higher second-level school graduate with a teacher-training certificate;
(b) Lower second-level school: junior college graduate with a teacher-training certificate;
(c) Higher second-level school: college graduate with a teacher-training certificate.

The school management committee, with the approval of the DEO, can appoint teachers who possess less than the above-mentioned qualifications if qualified persons are not available. In recruiting, preference is given to Nepalese teachers.

(xii) Textbooks, curriculum and education materials

Every school in the Kingdom is required to follow the curriculum and the textbooks approved by the central government. The government textbooks contain guidelines which the teachers are expected to follow. The headmaster or the offending teacher is liable to be punished to the extent of a Rs. 50[1] fine by the DEO for a breach of textbook and curriculum regulations. If the breach occurs a second time the DEO can suspend the government grants and recognition given to the school. The government textbooks are sold at a subsidized rate and the sole distribution of them has been given to a co-operative society called 'SAZA'. Government textbooks have been made compulsory in the schools of Nepal. The textbooks published by private publishers are, however, also prescribed for second-level schools.

(xiii) Supervision and examination of schools

The DEOs are required to draw up a time-table of their regular supervision of schools and to submit it to the Department of Education and to the schools. At least once a year all first- and second-level schools are to be visited by their DEO. There is no limit as regards the number of 'surprise' visits to the schools.

1. The exchange rate in recent years has been Nepalese Rs. 10.12 = US$1.

(xiv) Pupil evaluation

The marks secured in the annual and periodical examinations, attendance and the performance in different school activities are taken into consideration when promoting a pupil, but this procedure is rarely followed in most of the village schools. The promotion committee is composed of all the teachers and the headmaster of a school. The headmaster has to send the periodical and annual examination reports to the parents. From grade I to IX, the individual schools conduct their own examinations. At grade X, the individual schools conduct an annual examination, and there is also the High School Leaving Certificate Examination conducted by the Controller of Examinations of the Department of Education on a nation-wide competitive basis.

II. Mechanisms and procedures of financing

In this chapter, mechanisms and procedures of financing will be discussed separately for the first level and second level, with the focus of attention on salaries and the system of grants.

A. FIRST-LEVEL FINANCING MECHANISMS

(i) Salaries

First-level school teachers can be classified under four broad categories:

(a) Teachers working in fully government-supported schools (the total number of which is about 160);
(b) teachers working in the government-aided schools;
(c) teachers working under the Free and Compulsory First-level Education (FCE) scheme;
(d) teachers working in the unaided schools.

The teachers working in the first category of first-level schools are on the government payroll and their salaries are uniform throughout the country. Such schools are gradually disappearing and none has been established since 1950. The teachers for such schools are recruited by the Public Service Commission and their salaries are fixed by the central government. In order to have a common type of learning in all the first-level schools of the country, these schools have identical curricula and follow other government regulations.

Teachers working in the government-aided schools are paid by the school management committees. The salaries of the untrained teachers are fixed by these committees. In the case of trained teachers the school management committees have to follow the government regulations and fix the salary at not less than RS. 115 per month.

The salaries of teachers working in FCE areas are fixed by the school management committees. The central grants only cover 25 per cent of the teachers' salaries. Normally the trained teachers are not paid less than the official government rate.

There is no uniformity in the pay scale of teachers working in the

unaided first-level schools. Here too the rate of salary is fixed by the school management committees.

The rate of salary of the first-level school teacher varies from place to place. A wealthy community provides an above-average rate of salary and a poor community cannot even provide the normal rate of salary recommended by the government. The government has fixed the following rate of salary for teachers (1967/68) in aided schools: trained teacher, Rs. 115 per month; higher second-level school graduate teacher, Rs. 105 per month; Rs. 90 per month for teachers with grade VIII education.

The aided schools have a better rate of salary than the unaided first-level schools. One should bear in mind that in most villages, besides the salary from the community, teachers get other benefits, such as free accommodation, meals, etc., and this is difficult to assess in monetary terms. Therefore, the present study does not take these benefits into account. (See Appendix F for salary scales and incremental rules for trained teachers).

Prior to 1969/70, the central government used to send the grants to the office of the CDO. These grants were then disbursed by the office accountant, with the approval of the CDO, on the recommendation of the District Education Inspectors. From 1970/71 onwards a different practice has been followed for the disbursement of government grants which are now sent directly to the offices of DEOs, who have been empowered to disburse the amount directly to the teachers if they desire to do so. The grants are deposited in the nearest bank and the bank cheques are operated with the joint signatures of the CDO and the DEO.

(ii) Purpose and regulation of grants

The first and most important purpose of the central grant is to exercise general control over the different activities of the schools. The second purpose has been to help schools to meet their budgets, and the third to facilitate curriculum and text-book regulations in schools. Besides the regular grants, the central government also awards specific grants to schools, i.e. grants for equipment, sports, furniture and building.

Normally the central government does not provide grants for the construction of school buildings. On rare occasions a partial grant for school construction is provided. Generally it is the community or the school management committee that makes provision for the financing of school buildings. Maintenance of school buildings is looked after by the school management committee. The materials for school buildings differ from place to place; generally locally available materials, i.e. bamboo, slate, bricks, wood, etc., are used for construction. The labour for construction is mainly provided by the local people and construction materials are also donated by the local people in many villages.

Excluding a very small number of unaided first-level schools, all first-level schools receive annual grants from the central government.

The government grants are based on the number of teachers (1965/66) as follows: Rs. 1 100 per teacher per year for schools having up to five teachers; and Rs. 1 380 per teacher per year for schools having up to five trained teachers. Until now the central government has only been able to guarantee the salaries of the trained teachers. In actual practice there are more teachers than envisaged in the grants-in-aid formula; hence the untrained teachers get less salary than stipulated. The FCE schools receive 25 per cent of the teachers' salaries from the government and the rest they have to meet from their own resources.

While awarding grants to the first-level schools, the government has enforced the following regulations:

1. The school week lasts from Sunday to Friday, operating for six hours daily with a half-day on Friday. The total teaching hours should be not less than five hours per day;
2. in tropical areas the school may operate in the morning only, with the approval of the District Education Officer or Inspector;
3. each teacher should teach from 28 to 33 periods (one period = 40 minutes) per week, with the exception of the headmaster who should teach from 16 to 20 periods a week;
4. the school should operate for 220 days a year and observe government holidays;
5. teachers are entitled to sick leave of 15 and casual leave of 12 days annually;
6. the headmaster should keep the leave records of all teachers;
7. the teacher/pupil ratio should be as follows:
   - 1 teacher - 20 to 40 pupils
   - 2 teachers - 41 to 65 pupils
   - 3 teachers - 66 to 85 pupils
   - 4 teachers - 86 to 100 pupils
   - 5 teachers - 101 and pupils above
8. the number of teachers for different grades of first-level schools should be as follows:
   - schools having three grades should have at least two teachers;
   - schools having five grades should have at least three teachers;
9. the management committee should appoint trained teachers. Only if they cannot find a trained teacher can an untrained teacher be appointed;
10. the 'remote region' allowances to teachers and their annual salary increments should be met by the school management committees;
11. the government grants should be utilized for the payment of the teachers' salaries;
12. the school management committee should meet the salaries of extra teachers if such teachers are appointed;
13. each school should send progress reports to the Department of Education through the DEO's or Inspector's office.

(iii) First-level school budget

Each first-level school is required to prepare its budget for the whole year. This must be done in accordance with the approved method. Where banking facilities are available, cash must be deposited and the account should be operated by the joint signature of the treasurer and the headmaster. Accounts for all expenses must be kept. The secretary of the school management committee should submit the school accounts to the committee, the latter appointing an auditor to audit the accounts. The school accounts can be supervised by the school management committee members or by the DEO or by any of the auditors from the Department of Education.

(iv) Taxation

The Village Panchayat Amendment Act of 1964 has empowered the village panchayats to levy an education tax if the village assembly decides to launch Free and Compulsory First-level Education programmes in its area. The rate of the tax should not exceed Rs. 50 per child per year. The tax is levied on the landowners who have their lands in the panchayat. The panchayat can also levy taxes on the following items:

- fixed businesses or professions;
- vehicles in the area;
- purchase and sale of cattle;
- festivals, fairs, etc.

The town panchayats have also been authorized to levy taxes on the above items by the Town Panchayat Amendment Act of 1965.

The National Panchayat has the power to create or increase taxes for education. Any new proposal to increase taxation must be passed by the National Panchayat in the form of an act. Up to the stated limit in the act, the authorized body can increase taxes for education.

B. SECOND-LEVEL FINANCING MECHANISMS

(i) Salaries

The central government fixes the rate of salaries for government school teachers. In the case of aided schools, it is the management committee which fixes this rate. While giving grants to multipurpose vocational secondary schools, the central government has fixed the rate of the minimum salary to be given to the headmasters and to other teachers.

To understand the rate of salaries of second-level school teachers, it is important to mention the different types of (pre-reform) second-level schools in Nepal. These schools can be classified into two broad categories: middle (grades VI-VIII) and high (grades VI-X). Then there are vocational multipurpose second-level schools which

offer vocational subjects, such as agriculture, home science, secretarial training and trade and industry. As in the case of first-level schools, there are also government second-level schools in the country, although the number is small. Lastly, there are some government-aided second-level schools and very few unaided second-level schools.

The salary rates in the government high and middle schools have been fixed as shown in Table 2.

Table 2. Salary rates in government high and middle second-level schools, 1965/66

Grade of teacher	Number of teachers per school	Basic qualifications	Monthly salary (Rs.)
High schools (lower and higher-stage second level)			
Gazetted II class	1 (headmaster)	B.A. or B.Sc. or B.Com.	650 - 1 000
Gazetted III class	2 (teachers)	As above	475 - 750
Gazetted IV class	5 (teachers)	I.A. or I.Sc. or I.Com.	375 - 550
Non-gazetted I class	10 (teachers)	As above	250 - 425
Middle schools (lower-stage second level)			
Non-gazetted I class	1 (headmaster)	I.A. or I.Sc. or I.Com.	250 - 425
Non-gazetted II class	5 (teachers)	High school graduate	155 - 265

Source: Ministry of Education, Nepal

Like those of the teachers in the government schools, the salaries of teachers and headmasters in vocational high schools have been fixed by the government. The salary regulations which are enforced from the financial year 1967/68 are given in Table 3.

In multipurpose high schools, there are assistant teachers and head teachers. The assistant teachers get their salaries from the general fund of the school and allowances from the government grants. The rate of allowance is Rs. 80 for teachers who have two years' training and Rs. 25 for those with one years' training. All vocational teachers get their salaries at the above rates for the general grants-in-aid amount.

The middle school gets an annual minimum grant of Rs. 2 400, and the amount partially covers the teacher's salary. In the case of the high school, the school management committee pays the teacher from

Table 3. Salary rates in vocational high schools, 1967/68

Category	Monthly salary	Qualifications	Other requirements
1. Headmaster	Rs. 650	(a) College graduate and vocational teacher training	(a) Provision of at least two vocational subjects in the school
		(b) Bachelor in Education	(b) The school should have sent candidates for the SLC Examination
2. Teacher	Rs. 475 + 60 as allowance	College graduate	Experienced
3. Teacher	Rs. 475	(a) Bachelor in Engineering	
		(b) Bachelor of Science	Experienced
		(c) Degree in Agriculture and Home Science	
4. Teacher	Rs. 400	(a) College graduate + one year training	(a) Five years of experience
		(b) Graduate	(b) Two years of experience
		(c) Intermediate + two years training	(c) Five years of experience
5. Teacher	Rs. 300	(a) Graduate + one year training	(a) Five years of experience
		(b) Intermediate + two years training	
6. Teacher	Rs. 250	(a) Intermediate + one year training	(a) Five years of experience
		(b) High school graduate + one year training	
7. Teacher	Rs. 200	(a) High school graduate + two years training	(a) Five years of experience
		(b) High school graduate + one year training	

Source: Ministry of Education, Nepal

the minimum annual grant of Rs. 7 200. Schools with large enrolments have a good income from school fees and can pay the teacher at the government rate.

As the number of unaided second-level schools is very limited, it is rather difficult to comment on the rate of salary of teachers of such schools. However, it can be said that these teachers get lower salaries as compared with aided and government schools.

As in the case of first-level education, the school management committee has the responsibility for the payment of teachers' salaries. The government grants are disbursed in the name of the DEO, who then deposits the fund with the secretary of the school management committee. Hence, it can be said that the DEO is the disbursement officer for second-level schools. The same procedure is applied to aided and multipupose vocational high schools. The government teachers are paid by the secretary or the accountant of those schools which receive direct grants from the central government.

(ii) Purpose and regulation of grants

Teachers' salaries consume a very high proportion of the schools income and, therefore, it is difficult for the school management committee to manage a school without some help from the government. Therefore, one of the purposes of the government grant has been to provide this help. The government regulation clearly states that the grants should be utilized for the payment of teachers' salaries, but the grant to second-level schools is so meagre that sometimes it is only sufficient to meet the salary of one or two teachers. The second purpose has been to exercise some control over the school. In the past the central grants to second-level schools were disbursed in the name of the Zonal Education Officers. As the government has recently abolished the Zonal Education Officers and has upgraded some of the District Education Inspectors to the post of District Education Officers, the grants are now being disbursed in the name of the DEOs. They disburse the grant-in-aid to the secretary of the school management committee of individual schools. The central government receives its budget on a quarterly basis from the Ministry of Finance, hence the grants to schools are also disbursed four times a year.

(iii) Second-level school budgets

The practice of keeping a school budget in a systematic way has not been well developed in Nepal. Only in some modern second-level schools can one find a good budgetary record of school income and expenditure. In most schools, the recurrent and capital expenditures are not separated. The same applies to the different sources of financing of schools. The central government should assist individual schools to maintain a good budgetary procedure.

(iv) Financing of school building

The school management committee of the individual schools makes provisions for the construction and maintenance of school building. The sources of finance in most cases come from benevolent people. Usually the wealthy people in the community, for the sake of prestige, donate land and substantial amounts of money to the school management committee. In many cases such schools bear the name of their benefactor. Where there are no wealthy people in the community, the local people contribute cash as well as labour and materials for the construction of buildings. Locally-available building materials are used for the construction of school buildings in most of the regions of Nepal.

When some general second-level schools are converted into vocational schools, the central government gives grants for the construction of additional classrooms and laboratories. Sometimes unfair political pressure is involved in the school building construction grant. The panchayat leaders often influence the Minister and get special grants for the construction of school buildings. This grant usually covers half the cost of construction. The central government, in order to avoid politics in grants-in-aid procedure, is not in favour of awarding building grants to schools. The government school buildings are managed or maintained by the central government budget.

(v) Taxation

Second-level education has not been made compulsory and there are no legal acts concerning it. Pupils who are qualified and who wish to have second-level education usually enter these schools after the successful completion of first-level education. Second-level schools can also admit fresh candidates who have never attended school before. In such cases, the school conducts entrance examinations and, according to the performance of the pupil, grants admission.

There is no tax for the financing of second-level schools in Nepal. The major sources of finance are the tuition fees, government grants, public donations and the income from the individual school's land. The village or district authorities cannot create or increase taxes for education; this power is vested in the National Panchayat.

III. Analysis of financing by sources

It is the purpose of this chapter to analyse comparatively the trends of financing by source and by level between 1965/66 and 1969/70, during which period the decentralization of political and educational administrative structures, the reform of the educational grants system and, particularly, the free and compulsory education programme were being introduced. For comparative analysis purposes, three areas typifying major differences in the country have been chosen.

Areas selected

The three areas selected for comparative study were as follows: Kathmandu; FCE (Free and Compulsory Education) areas; 'Other' (a sample from non-FCE districts).

It was decided to isolate the Kathmandu area because its level of development is so much higher than that of any other region in the country. FCE and 'Other' areas were selected because of the introduction of the free and compulsory education programme in the former, in complete contrast to the latter.

Kathmandu area

This area comprises the three principal districts of the Kathmandu Valley, Kathmandu (which contains the capital of Nepal), Lalitpur and Bhaktapur. These districts are highly urbanized, well developed and contain the central government political and administrative headquarters.

FCE areas

This area comprises the Chitwan and Jhapa districts at the south-central and south-eastern extremities of Nepal, respectively. The free and compulsory education programme has been launched in all 78

panchayats of these two districts, including its introduction in 102 villages and eight town panchayats. The two districts are rural and relatively under-developed when compared with the Kathmandu area.

'Other' areas

The third area chosen for comparison consists of a sample of 26 of the remaining districts, which have characteristics generally representative of all the zones of Nepal. It comprises two districts from each of the 14 zones in the country, with the exception of Bagmati (which contains the Kathmandu area) and Mechi (which contains the Jhapa FCE area), from each of which one district has been chosen. The aim was to choose a typically mountainous district and a district along the prosperous Terai Belt (or in a rather more developed mountainous region) from each zone in order to render the sample as representative of the whole country as possible.

A. SOURCES OF FINANCING FIRST-LEVEL EDUCATION

All first-level schools (except unaided schools) benefit from central public financing by way of grants. In addition, schools in those areas where the FCE programmes are in operation benefit from local public financing through income raised from local taxation.

Private financing of schools is supplemented from fees, from income from school land and from other sources, which include funds raised through donations and subscriptions from the public. In areas where the FCE programme is not in operation, school management committees collect fees ranging from Rs. 1 to Rs. 5 per pupil per month according to their grade. Most schools also have land donated by benevolent people, purchased from school savings, or sometimes handed over from government-owned land. This land has become a useful source of finance. In addition to the donations and subscriptions from the public mentioned earlier as a source of finance, there is also much financing in 'kind', e.g., voluntary assistance and educational items, although this is difficult to convert into monetary terms.

(i) Public financing by areas

Public financing by areas and sources in absolute and percentage terms from 1965/66 to 1969/70 is shown in Table 4.

a. Kathmandu

From Table 4 it is seen that there is no local public financing and that while total central public financing has increased from Rs. 415 000

Table 4. Public financing of first-level schools by sources and areas, current prices (thousands of Rs.)

Areas	Year	Government grants Amount	%	Local income Amount	%	Total public finance Amount	%
Kathmandu	1965/66	415	56.2	-	-	415	56.2
	1968/69	662	35.5	-	-	662	35.5
	1969/70	708	29.2	-	-	708	29.2
FCE	1965/66	231	37.6	70	11.4	301	49.0
	1968/69	468	30.5	750	48.9	1 218	79.4
	1969/70	541	28.2	1 003	52.4	1 544	80.6
'Other'	1965/66	1 892	43.6	199	4.6	2 091	49.2
	1968/69	2 720	43.7	300	4.8	3 020	48.5
	1969/70	2 856	42.0	306	4.5	3 162	46.5

Source: All the tables are based on data from the Planning, Statistics and Research Division, Ministry of Education, Nepal.

to Rs. 708 000 between 1965/66 and 1969/70, nevertheless, its share of of all financing has dropped substantially from 56.2 per cent to 29.2 per cent. This indicates the growing importance of private financing in this area.

b. FCE

It is seen from Table 4 that, in absolute terms, central and, particularly, local public financing have increased dramatically over the study period. Local public financing has increased from 11.4 per cent to 52.4 per cent of all financing, while the central financing share has decreased relatively from 37.6 per cent to 28.2 per cent. Public as a share of total financing, has increased markedly from 49.0 per cent to 80.6 per cent. The figures indicate that the introduction of the FCE programme has certainly stimulated the rapid rise in local public financing.

c. 'Other'

Table 4 figures indicate a certain stagnancy in the relative financing by source for schools in 'Other' areas, where the free and compulsory education programme had not been specifically introduced. While both central and local public financing increased moderately in absolute terms, there is hardly any relative change in public or private financing.

(ii) Private financing by areas

Private financing by areas and sources, in absolute and percentage terms from 1965/66 to 1969/70 is shown in Table 5.

Table 5. Private financing of first-level schools by sources and areas, current prices, (thousands of Rs.)

Areas	Year	Fees		Land		Other Sources		Total	
		Amount	%	Amount	%	Amount	%	Amount	%
Kathmandu	1965/66	155	21.0	-	-	168	22.8	323	43.8
	1968/69	600	32.2	10	0.5	593	31.8	1 203	64.5
	1969/70	939	38.7	22	0.9	757	31.2	1 718	70.8
FCE	1965/66	37	6.1	53	8.6	223	36.3	313	51.0
	1968/69	-	-	90	5.9	225	14.7	315	20.6
	1969/70	-	-	144	7.5	228	11.9	372	19.4
'Other'	1965/66	289	6.7	68	1.5	1 892	43.6	2 249	51.8
	1968/69	406	6.5	600	9.6	2 204	35.4	3 210	51.5
	1969/70	602	8.9	810	11.9	2 224	32.7	3 636	53.5

a. Kathmandu

Table 5 figures show the extremely important part private financing has come to play in first-level education in this area - an increase from 43.8 per cent to 70.8 per cent of all financing in 1970. Income from fees increased noticeably and accounted for 38.7 per cent of financing in 1970 as against 21.0 per cent in the mid-sixties. Another remarkable feature is the large increase in income from other sources, i.e. donations, subscriptions, etc., which now account for almost one-third of all financing. Income from land is insignificant in this area.

b. FCE

The introduction of the free and compulsory education programme, while boosting substantially income from public financing sources (see Table 1), has practically stagnated financing from private sources as can be seen from Table 5. In relative terms, private financing has dropped from a 51.0 per cent to a 19.4 per cent share of total financing in 1970. Income from land increased steadily in absolute terms but donations and subscriptions, etc., remained static in amount and only account now for some 11.9 per cent of all financing.

c. 'Other'

Table 5 figures show total private financing to have increased modestly while remaining relatively steady, continuing to make up about one-half of all financing. Income from donations and subscriptions are important here, but remained somewhat static in absolute terms while decreasing from a 43.6 per cent to a 32.7 per cent share of all financing in relative terms. While percentage income from fees remained relatively static, that from land increased noticeably to account for 11.9 per cent of all financing in 1970.

(iii) Observations on first-level educational financing

The evolution of public and private financing in the three areas between 1965/66 and 1970 is summarized in Table 6. From the financing strategy viewpoint, the indication with regard to the FCE areas is that the raising of local finance by taxation appears to cause stagnation of private sources of income which is not encouraging.

Table 6. Financing of first-level schools by public and private sources (thousands of Rs.)

Area	Public Sources				Private Sources			
	1965/66	%	1969/70	%	1965/66	%	1969/70	%
Kathmandu	415	56.2	708	29.2	323	43.8	1 718	70.8
FCE	301	49.0	1 544	80.6	313	51.0	372	19.4
'Other'	2 091	49.2	3 152	46.5	2 249	57.8	3 636	53.5

Table 7 shows the remarkable enrolment growth stimulated in the FCE area by the introduction of the FCE programme. Total financing per pupil follows a fairly normal pattern, with the unit cost per pupil somewhat higher in the Kathmandu area on account of the higher private subvention there. The allocation of public finance per pupil by area is also fairly normal, with the FCE area enjoying a higher rate on account of the introduction of the free compulsory education programme.

On the other hand, it is interesting to note that only in the FCE area the financing per pupil did decline over the past five years, while it has increased very significantly in the Kathmandu area and quite substantially in the other regions of the country.

Table 7. Evolution of unit financing per pupil by area from 1965/66 to 1969/70, first-level schools grades I-V, current prices (Rs.)

	Year	Enrolment Number	Change %	Publ. Financing Unit	Change %	Priv. Financing Unit	Change %	Total Unit	Change %
Kathmandu	1965/66	21 432	-	19.36	-	15.07	-	34.43	-
	1968/69	29 028	+ 35.4	22.81	+17.8	41.44	+175.0	64.25	+86.6
	1969/70	33 516	+ 15.5	21.12	- 3.0	51.26	+ 23.7	72.38	+12.7
FCE	1965/66	10 507	-	28.65	-	29.79	-	58.44	-
	1968/69	29 400	+179.8	41.43	+44.6	10.71	- 64.0	52.14	-10.8
	1969/70	43 164	+ 46.8	35.77	-13.7	8.62	- 19.5	44.39	-14.9
'Other'	1965/66	81 545	-	25.64	-	27.58	-	53.22	-
	1968/69	104 805	+ 28.5	28.82	+12.4	30.63	+ 11.1	59.45	+11.7
	1969/70	113 880	+ 8.6	27.77	- 3.6	31.93	+ 4.2	59.70	+ 0.4

(iv) Other general observations

a. Kathmandu

1. There is a tendency towards a greater reliance on private financing, amounting to 70.8 per cent of total financing in 1970;
2. one-third of all finance derives from donations and subscriptions;
3. there has been a big relative increase in income from fees;
4. questions yet to be answered are: a) to what extent can this area, because it is relatively more developed than the other areas, afford a continuous, high level of private donations and subscriptions? b) how far can income from fees be further increased to support further expansion?

b. FCE

1. The introduction of the FCE programme has stimulated a dramatic increase in local public financing making it, at 80.6 per cent of total financing, extremely significant;
2. however, private financing has at the same time stagnated and donations and subscriptions as an element of private financing have remained static in absolute terms while decreasing from the pre-reform one-third to less than one-eighth of total financing;
3. it has been shown that it is possible to formalize successfully a system of local taxation for financing education;
4. however, the question that has yet to be answered is whether the introduction of such a system may reduce the spirit of self-help and of private contribution, since the introduction of local taxation appears to have caused a stagnation of private financing.

c. 'Other'

The financing structure has remained static at roughly half public and half private financing.

B. SOURCES OF FINANCING SECOND-LEVEL EDUCATION

(i) Introduction

Central grants to schools are the only source of public financing of second-level education in Nepal; there is no local public financing. Private financing sources - tuition fees, income from land and income from other sources, such as donations and contributions - play a very significant role in the development of education at this level.

All second-level pupils (grades VI-X) must pay tuition fees which range from Rs. 6 to Rs. 10 per pupil per month. The rates are fixed

by the various school management committees. Income from school land can be very significant, as in the case of the FCE area, although this income is not important in hilly and urban areas. As for first-level schools, this land may be received by donation or purchased from school savings. A further private financing source mentioned earlier - donations and contributions - may be in cash or in kind, i.e. voluntary work, provision of materials, etc., in addition to financial contribution.

(ii) Public and private financing by area

Public and private financing by areas and sources in absolute and percentage terms from 1965/66 to 1969/70 is shown in Table 8.

a. Kathmandu

From Table 5 it is seen that total public financing (i.e. government financing, since there is no public local financing) has increased steadily here from Rs. 576 000 to Rs. 997 000 and, latterly, in relative terms by 5 per cent to account for 30.3 per cent of financing in 1970.

It is also seen that total private financing has increased steadily although of course, sharing a slightly reduced percentage of all financing at 69.7 per cent in 1970. However, like the first level, this high percentage indicates the importance of private financing in second-level education in the Kathmandu area.

As to the trend of financing from the various private sources, the only noteworthy feature is the steady relative decrease in importance of tuition fees from 57.8 per cent in 1965/66 to 51.7 in 1970. This relative decrease has been compensated for mainly by increased government grants.

b. FCE

Here, also, government financing is the sole source of public financing. Although there was some 50 per cent absolute increase in public financing from Rs. 82 000 to Rs. 129 000, this amount is still small and its relative importance has dropped back from 15.6 to 10.8 per cent of total financing.

The relative share of private financing in all financing, hovers around 90 per cent - an extremely high element. A remarkable trend within private financing has been the rapid increase of income from land, from Rs. 52 000 to Rs. 303 000, representing a relative increase from 9.9 per cent in 1965/66 to 25.4 per cent in 1970. Relative income from tuition fees has remained fairly stable at somewhat over one-third of all income.

Table 8. Public and private financing by area and source in absolute and percentage terms, 1965/66, 1968/69 and 1969/70, current prices, (thousands of Rs.)

Areas	Year	Public Financing[1]		Private Financing							
		Government grant	%	Tuition fees	%	Land	%	Other	%	Total	%
Kathmandu	1965/66	576	25.9	1 287	57.8	40	1.8	325	14.5	1 652	74.1
	1968/69	715	25.3	1 547	54.7	70	2.5	496	17.5	2 113	74.7
	1969/70	997	30.3	1 698	51.7	75	2.3	516	15.7	2 289	69.7
FCE	1965/66	82	15.6	188	35.8	52	9.9	203	38.7	443	84.4
	1968/69	91	8.2	430	38.9	235	21.3	348	31.6	1 013	91.8
	1969/70	129	10.8	436	36.5	303	25.4	325	27.3	1 064	89.2
'Other'	1965/66	806	19.1	1 390	32.9	10	0.2	2 019	47.8	3 419	80.9
	1968/69	1 104	19.9	1 777	32.0	121	2.2	2 547	45.9	4 445	80.1
	1969/70	1 445	21.0	2 189	31.8	370	5.4	2 869	41.8	5 428	79.0

1. Figures in this column represent total public financing since there is no financing by local taxation.

c. 'Other'

Here, too, there is no local public financing. Government grants have increased steadily from Rs. 806 000 to Rs. 1 445 000 and marginally in relative terms to account for 21 per cent of all financing in 1970.

Private financing has also increased steadily, from Rs. 3 419 000 to Rs. 5 428 000, retaining a relatively static share of over-all financing at some 80 per cent. Income from tuition fees has increased steadily, accounting regularly for somewhat less than one-third of all income. By contrast with the FCE area, income from land is, relatively, not a large item, although it is literally mushrooming in importance. However, income from other sources (donations, subscriptions, etc.) is of extremely great importance in this area and although increasing gradually from Rs. 2 019 000 to Rs. 2 869 000 has been steadily decreasing its relative share of all financing from 47.8 to 41.8 per cent.

(iii) Observations on second-level educational financing

The comparative evolution and mix of financing is illustrated in Table 9. The most striking feature is the relatively higher dependence on private financing in the less-developed FCE and 'Other' areas and, of course, the high level of public subvention in the better-off Kathmandu area. It may also be said that the introduction of the free and compulsory first-level education programme in the FCE area must concomitantly bring increased pressure for further public subvention for second-level education.

Other important aspects of the financing of second-level education are highlighted in Table 10. Noteworthy among the figures for enrolment growth (which has an important relationship with financial growth) by area over the period is the increase by 193.6 per cent from 1965/66 to 1968/69 in the FCE area. This indicates that the introduction of free and compulsory first-level education also influenced second-level education enrolment growth.

A decrease in total financing per pupil is shown for all areas. The gaps in total financing per pupil between Rs. 131.12 for Kathmandu, Rs. 210.40 for FCE and Rs. 254.10 for 'Other' in 1970 are still wide, indicating that a more efficient use of financing in the latter two areas is possible and desirable.

The allocation of public financing per pupil is of particular interest. Here again, gaps between Rs. 39.78 per pupil for Kathmandu, 22.75 for FCE and 53.42 for 'Other' in 1970 are noteworthy. There is clearly a case for further public subvention in the FCE area. Other observations can be summarised as follows:

a. Kathmandu

1. It would appear that this relatively better developed area could

Table 9. Financing of secondary schools by public and private sources

Area	Public				Private			
	65/66	%	69/70	%	65/66	%	69/70	%
Kathmandu	576	25.9	997	30.3	1 652	74.1	2 289	69.7
FCE	82	15.6	129	10.8	443	84.4	1 064	89.2
'Other'	806	19.1	1 445	21.0	3 419	80.9	5 428	79.0

afford a higher level of private financing per pupil.

2. A re-distribution of public financing from this area to the less well-off FCE area would seem justified.

b. FCE

Prospects for meeting the inevitable increased demand for second-level education depend upon a more efficient use of the present level of financing and a relative increase in public financing.

c. 'Other'

1. More efficient use of financing seems possible.
2. Income from land has increased admirably but it seems possible that this source of income could provide a greater share of the total income than the present 5.4 per cent.

Table 10. Evolution of unit financing per pupil by area from 1965/66 to 1969/70, second-level school Grades VI-X, current prices (Rs.)

Area	Year	Enrolment		Public Financing		Private Financing		Total Financing	
		Number	Change %	Unit	Change %	Unit	Change %	Unit	Change %
Kathmandu	1965/66	12 771	-	45.10	-	129.36	-	174.46	-
	1968/69	19 992	+ 56.5	35.76	-20.7	105.70	-18.3	141.46	-18.9
	1969/70	25 060	+ 25.4	39.78	+11.2	91.34	-13.6	131.12	- 7.3
FCE	1965/66	1 560	-	52.56	-	283.98	-	336.54	-
	1968/69	4 580	+193.6	19.87	-62.2	221.18	-22.1	241.05	-28.4
	1969/70	5 670	+ 23.8	22.75	+14.5	187.65	-15.2	210.40	-12.7
'Other'	1965/66	9 428	-	85.50	-	362.64	-	448.14	-
	1968/69	17 550	+ 86.1	62.90	-26.4	253.28	-30.2	316.18	-29.4
	1969/70	27 048	+ 54.1	53.42	-15.1	200.68	-20.8	254.10	-19.6

IV. Enrolment trends

In this chapter enrolment trends between 1965/66 and 1969/70 are examined; first the trends in first-level and secondly the trends in second-level education. Finally, trends in the supply of schools and of teachers are examined.

A. ENROLMENT TRENDS IN FIRST-LEVEL EDUCATION

Enrolment figures for 1965/66, 1968/69 and 1969/70 by area and by grades (I-V) are given in Table 11 and the total enrolment increase in Table 12.

Table 11. Enrolment by first-level grade (in thousands)

Grade	Kathmandu			FCE			'Other'		
	1965/66	1968/69	1969/70	1965/66	1968/69	1969/70	1965/66	1968/69	1969/70
I	10.4	11.4	12.2	5.1	11.5	15.8	39.5	41.2	41.7
II	4.1	6.0	7.1	2.0	6.0	9.1	15.5	21.6	24.0
III	3.1	5.0	6.2	1.5	5.1	8.0	11.8	18.2	21.0
IV	2.2	3.8	4.5	1.1	3.8	5.8	8.4	13.4	15.3
V	1.7	2.9	3.5	1.8	3.0	4.5	6.3	10.4	11.9
TOTAL	21.5	29.1	33.5	11.5	29.4	43.2	81.5	104.8	113.9

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Table 12. Total enrolment increase, 1965/66-1969/70 (in thousands)

Area	1965/66	1969/70	Increase %
Kathmandu	21.4	33.5	56
FCE	10.5	43.2	310
'Other'	81.5	113.9	40

The dramatic increase in enrolment occasioned by the introduction of the free and compulsory education programme is at once striking.

The school-age population (6-10) is given in Table 13 for 1965/66 and 1969/70 and the apparent enrolment ratio in Table 14.

Table 13. School-age population - 6-10 years (in thousands)

Area	Kathmandu	FCE	'Other'
1965/66	57.7	38.0	418.8
1969/70	62.8	60.1	451.7

Table 14. The change in the apparent enrolment ratio, 1965/66-1969/70

Area	1965/66	1969/70
Kathmandu	37	53
FCE	27	71.8
'Other'	20	25

Again it is noticed that a remarkable improvement was achieved in the FCE area by contrast with the 'Other' areas where the free and compulsory education programme was not specifically introduced.

The percentage of enrolment for girls in first-level education is shown in Table 15 for the years 1965/66, 1968/69 and 1969/70, by area and grade.

Table 15. Percentage enrolment of girls in first-level education

Grade	Kathmandu			FCE			'Other'		
	1965/66	1968/69	1969/70	1965/66	1968/69	1969/70	1965/66	1968/69	1969/70
I	25.9	30.4	30.8	21.9	35.7	31.9	13.9	14.4	20.4
II	28.1	30.7	29.8	19.2	28.3	25.8	12.2	12.3	12.2
III	27.9	30.3	32.6	14.9	25.2	21.0	11.8	10.0	11.1
IV	27.1	38.5	39.5	17.0	25.3	22.8	8.3	8.8	10.3
V	29.8	30.3	32.0	15.8	17.5	22.4	11.3	10.4	11.8
Average %	27.8	32.0	32.9	17.8	26.4	24.8	11.5	11.2	13.2

The average change in percentage enrolment for girls during the period is shown in Table 16.

Table 16. The average change in the percentage of girls' enrolment

Area	1965/66	1969/70
Kathmandu	27.8	32.9
FCE	17.8	24.8
'Other'	11.5	13.2

These figures, while showing some improvement, still indicate an unsatisfactory position. A slight spurt forward was stimulated in the FCE area with the introduction of the free and compulsory education programme, but the trend seems to have halted since the percentage, in fact, dropped back from 26.4 in 1968/69 to 24.8 in 1969/70. The percentage is very unsatisfactory in the 'Other' areas, where an overall decrease in enrolment of 0.3 per cent was also recorded for the period 1965/66 to 1968/69.

The girls' percentage enrolment is fairly steady for all grades in the Kathmandu area, in addition to having improved in level over the period. The tendency for the percentage of girls to diminish with the increase of grade in the FCE area, indicating heavier drop-out than for boys, has eased somewhat but is still not satisfactory, e.g. grade I - 31.9 per cent, as against grade V - 22.4 per cent in 1970. There are indications of a heavy drop-out in higher grades for the 'Other' areas and the position has not improved between 1965/66 and 1969/70.

Percentage distribution of pupils by grade is given in Table 17 by area for 1965/66 and 1969/70.

Table 17. Percentage distribution of pupils by grade

Year	Grades					Total
	I	II	III	IV	V	
1965/66	48.5	19.0	14.4	10.3	7.8	100
1969/70	36.6	21.1	18.4	13.5	10.4	100

The unequal percentage distribution of pupils by grade indicates high repetition and drop-out rates, although some improvment in 1969/70 is evident compared with 1965/66. It is not possible to assess the exact extent and nature of this wastage since separate data for

repeaters and drop-outs are not available. The wastage rate is higher in the earlier grades and, in some instances, attempts are being made to reduce this through re-gearing the curriculum for these grades to suit the needs of the pupils better.

(i) Over-all observations

Universal first-level education within the present structure is far from being achieved. The introduction of the free and compulsory education programme in the FCE area, while boosting enrolments dramatically, still achieved an apparent enrolment ratio of only 71.8. The girls' enrolment level for schools in all three areas is very unsatisfactory and the introduction of the programme has not had the desired success in this regard. Clearly, some other additional steps are necessary in order to remedy this situation. The high wastage rate problem, particularly in the earlier grades, must also be tackled.

B. ENROLMENT TRENDS IN SECOND-LEVEL EDUCATION

Enrolment figures for 1965/66, 1968/69 and 1969/70 by area and grades (VI-X) are given in Table 18.

Table 18. Enrolment by grade in second-level education
(in thousands)

Grade	Kathmandu			FCE			'Other'		
	1965/66	1968/69	1969/70	1965/66	1968/69	1969/70	1965/66	1968/69	1969/70
VI	3.3	5.7	7.1	0.5	1.3	1.6	2.8	5.0	7.7
VII	3.1	4.6	6.1	0.4	1.1	1.4	2.3	4.1	6.6
VIII	2.5	4.0	5.0	0.3	0.9	1.1	1.8	3.5	5.3
IX	2.0	3.1	3.8	0.2	0.7	0.9	1.4	2.7	4.1
X	1.5	2.7	3.1	0.2	0.6	0.7	1.1	2.3	3.4
TOTAL	12.9	20.1	25.1	1.6	4.6	5.7	9.4	17.6	27.1

Table 19. Total enrolment increase, 1965/66-1969/70 (in thousands)

Area	1965/66	1969/70	Increase %
Kathmandu	12.9	25.1	95
FCE	1.6	5.7	256
'Other'	9.4	27.1	183

The fairly rapid over-all increase in enrolment indicates a natural pressure for a continuing second-level education. The relatively larger increases in the FCE and 'Other' areas are related to the very low level of second-level enrolments in these areas in the base year when compared with first-level enrolments. The relative increase was largest in the FCE area, probably under the stimulus of the introduction of the free and compulsory first-level education programme. However, it should also be stated that the level of second-level enrolments in the FCE area for 1969/70, as a ratio of that in first-level in the same year, has slightly deteriorated, indicating that pressure for more second-level education in that area must continue.

The second-level school-age population (11-15) is given in Table 20 by area for 1965/66 and 1969/70 and the change in the apparent enrolment ratio in Table 21.

Table 20. School-age population - 11-15 years - (in thousands)

Year	Kathmandu	FCE	Others
1965/66	52.6	34.6	381.0
1969/70	57.0	37.3	401.9

Table 21. The change in the apparent enrolment ratio, 1965/66-1969/70

Area	1965/66	1969/70
Kathmandu	24.5	44.2
FCE	4.6	15.3
'Other'	2.4	6.7

Table 22. Percentage enrolment of girls in second-level education

Grade	Kathmandu			ICE			'Other'		
	1965/66	1968/69	1969/70	1965/66	1968/69	1969/70	1965/66	1968/69	1969/70
VI	29.7	33.2	32.0	15.6	11.2	11.3	12.6	9.1	10.3
VII	28.4	30.9	28.1	13.0	10.2	12.5	14.0	9.3	9.6
VIII	26.8	30.4	28.5	12.9	10.6	11.2	13.1	9.1	10.7
IX	23.8	29.4	29.9	11.6	9.5	11.1	15.6	10.2	12.6
X	24.8	30.2	30.9	11.0	11.2	13.2	15.8	11.8	13.0
Average %	26.7	30.8	29.9	12.8	10.5	11.9	14.2	9.9	11.2

A fair improvement was made in the FCE area, but the low level of participation in the 'Other' areas still remains unsatisfactory.

The percentage of enrolment for girls in second-level education is shown in Table 22 for the years 1965/66 and 1969/70 and the change in the apparent enrolment ratio in Table 23.

Table 23. The change in the apparent enrolment ratio for girls, 1965/66-1969/70

Area	1965/66	1969/70
Kathmandu	26.7	29.9
FCE	12.8	11.9
'Other'	14.2	11.2

As with the proportion of girls in first-level education, these figures indicate an unsatisfactory position; in fact, the proportion of girls enrolled in the FCE and 'Other' areas declined somewhat between 1965/66 and 1969/70. In the Kathmandu area the percentage of girls is steady for all grades. In the FCE and 'Other' areas, however, the proportion of girls actually increases with advance of grade, indicating a certain repetition.

The percentage distribution of pupils by grade is given in Table 24.

Table 24. Percentage distribution of pupils by grade

Year	Grades					Total
	VI	VII	VIII	IX	X	
1965/66	29.7	24.3	19.2	15.1	11.7	100
1969/70	28.3	24.3	19.7	15.2	12.5	100

A slightly improved average retention rate is recorded between 1965/66 and 1969/70 for all areas; a breakdown by area is not available. Separate data for drop-outs and repeaters are not available and, therefore, no assessment of wastage can be made. Generally speaking, the wastage rate is higher in the earlier grades.

(i) Over-all observations

There was a good over-all increase in enrolments between 1965/66

and 1969/70; the biggest relative increase was in the FCE area, probably stimulated by the introduction of the free and compulsory first-level education programme. However, the level of participation in second-level education is still very low in the FCE and 'Other' areas and pressure for more second-level education in these areas, because of the increasing enrolments in first-level education, is inevitable. The proportion of girls enrolled is very unsatisfactory and has actually declined over the period. The over-all wastage rate is high, especially in the earlier grades.

C. SCHOOLS AND TEACHERS

(i) First-level education

The changes between 1965/66 and 1969/70 in the number of first-level schools and their average size, in the number of trained and untrained teachers and in the pupil/teacher ratios for first-level education by area are shown in Table 25.

Table 25. First-level schools, teachers and pupil/teacher ratios by area in 1965/66 and 1969/70

Area	Year	Schools		Teachers			
		Number	Average pupils/ school	Trained	Untrained	Total	Pupil/ teacher ratio
Kathmandu	1965/66	282	76	197	568	765	28
	1969/70	399	84	213	834	1 047	32
FCE	1965/66	133	79	93	257	350	30
	1969/70	396	109	215	892	1 107	39
'Other'	1965/66	1 735	47	571	1 827	2 398	34
	1969/70	2 190	52	847	2 712	3 559	32

A remarkable number of new schools have been established during this period in all areas. The average size of school is small but is increasing steadily.

In the Kathmandu area, there was a 37 per cent increase in teacher supply as against 56 per cent enrolment increase; the pupil/teacher ratio increased from 28 to 32:1. However, a disturbing feature is

the fact that there was only an 8 per cent increase of trained teachers, leaving an almost staggering 80 per cent untrained teachers amongst the total of 1 047 in 1970.

In the FCE area, there was a 216 per cent increase in teacher supply as against 310 per cent enrolment increase; the pupil/teacher ratio increased from 30 to 39:1. While there was a large increase in the number of trained teachers brought into service here, nevertheless, the proportion of the total of 1 107 teachers who were untrained in 1970 (over 80 per cent), also presents a problem.

In the 'Other' areas, there was a 50 per cent increase in teacher supply as against a 40 per cent enrolment increase; the pupil/teacher ratio actually dropped back from 34 to 32:1. Here also, the proportion of over 76 per cent of untrained teachers out of a total of 3 559 in 1970 is still disquieting.

It seems that there are many schools, in all three areas, below the minimum size desirable from both the economic and pedagogical viewpoints, but with the enrolment ratio still at a low level, increase in size in many of these schools is still possible.

The average pupil/teacher ratio position is fairly satisfactory in the three areas from the pedagogical viewpoint, but perhaps at the present level of educational development a higher ratio might be permissible from the economic viewpoint. The very large proportion of untrained teachers in all three areas is a very serious problem.

(ii) Second-level education

The change between 1965/66 and 1969/70 in the number of second-level schools and their average size, in the number of trained and untrained teachers and in the pupil/teacher ratios for second-level education by area, is shown in Table 26.

Table 26. Second-level schools, teachers and pupil/teacher ratios by area in 1965/66 and 1969/70

Area	Year	Schools		Teachers			Pupil/ teacher ratio
		Number	Average pupils/ school	Trained	Untrained	Total	
Kathmandu	1965/66	99	129	341	641	982	13
	1969/70	131	199	346	973	1 319	19
FCE	1965/66	20	78	25	79	104	15
	1969/70	45	126	56	259	315	18
'Other'	1965/66	176	53	328	708	1 036	9
	1969/70	276	98	593	1 661	2 254	12

There was a large increase in the number of second-level schools over this period in the three areas. The average size of school was still rather small in 1970, 199 for Kathmandu, 126 for the FCE area and 98 for the 'Other' areas, although the average size had increased quite a lot since 1965.

In the Kathmandu area, the supply of teachers increased by 34 per cent as against a 94 per cent enrolment increase; the pupil/teacher ratio increased from 13 to 19:1. There was a very high level of untrained teachers in 1970, about 74 per cent of the 1 319 teachers; the stock of trained teachers increased only marginally from 1965.

In the FCE area, the supply of teachers increased by 204 per cent as against a 256 per cent enrolment increase; the pupil/teacher ratio increased from 15 to 18:1. While there was a laudable increase of 272 in the stock of trained teachers over 1965, still, the level of untrained teachers, at over 82 per cent out of 315 teachers in 1970, is far too high.

In the 'Other' area, the teacher supply was increased by 117 per cent as against a 188 per cent enrolment increase; the pupil/teacher ratio, which went up from 9 to 12:1, is still much too low. Here, 265 trained teachers were added to the 1965 stock of trained teachers, but in 1970 there was still a 74 per cent proportion, out of the total of 2 254 teachers, who were untrained.

From both the economic and pedagogical viewpoint, there is a minimum size of school below which operational efficiency is not possible. It seems that many schools in the three areas are below this minimum. However, since potential demand for second-level education is much higher than existing enrolments, the size problem may be gradually resolved in the future.

Higher pupil/teacher ratios than the 1970 averages of 19:1 in Kathmandu and 18:1 in FCE could be tolerated at the present level of development of second-level education. The average pupil/teacher ratio for the 'Other' areas, at 12:1 is much too low and a better utilization of teachers is desirable. The high proportion of untrained teachers in the three areas is also a major problem in second-level education.

V. Expenditure and cost trends

The evolution of recurrent and capital expenditure for first-level and second-level schools between 1965/66 and 1969/70 is examined in this chapter. Absolute, relative and unit cost trends for recurrent expenditure are first assessed; capital expenditure trends are later examined and, finally, an overview of the fit of financing to expenditure is taken.

A. RECURRENT EXPENDITURE

(i) First-level education

Recurrent expenditure figures by area and purpose for the years 1965/66, 1968/69 and 1969/70 are given in Table 27.

There has been a big increase in the total recurrent expenditure in all areas during this period; increases of 170, 316 and 100 per cent in the Kathmandu, FCE and 'Other' areas respectively. There was also a change in the relative importance of teacher and non-teacher expenditure. Unit cost analysis must, however, be applied before a valid assessment of this trend can be made.

In relative terms, expenditure on salaries and allowances has been increasing in all areas. This increase jumped from 62.7 per cent in 1965/66 to 76.9 per cent in 1969/70 in the Kathmandu area and advanced from the 85 per cent mark to 94.1 and 92.1 per cent for the FCE and 'Other' areas respectively. Percentage expenditure on teaching materials remained fairly steady over the period in all areas. Accordingly, other expenditure (which includes administration, maintenance, etc.), decreased as a proportion of total expenditure in each area, and markedly so, from 36.7 per cent in 1965/66 to 22.4 per cent in 1969/70, in the Kathmandu area, although even this latter percentage is still somewhat above normal.

The unit cost per pupil by area and purpose for the years 1965/66, 1968/69 and 1969/70 is given in Table 28.

The unit cost per pupil advanced steadily from Rs. 31.25 to Rs. 54.03 and from Rs. 35.80 to Rs. 51.33 in the Kathmandu and 'Other' areas

Table 27. First-level schools recurrent expenditure by area and purpose in absolute and percentage terms 1965/66, 1968/69, 1969/70 (current prices, thousands of Rs.)

Area	Year	Salaries and allowances		Teaching materials		Other expenditures		Totol
		Amount	%	Amount	%	Amount	%	
Kathmandu	1965/66	420	62.7	4	0.6	246	36.7	670
	1968/69	950	72.5	10	0.8	350	26.7	1 310
	1969/70	1 392	76.9	12	0.7	407	22.4	1 811
FCE	1965/66	338	85.1	3	0.8	56	14.1	397
	1968/69	1 056	92.1	8	0.7	82	7.2	1 146
	1969/70	1 555	94.1	9	0.5	89	5.4	1 653
'Other'	1965/66	2 497	85.5	19	0.7	403	13.8	2 919
	1968/69	4 214	91.9	34	0.7	337	7.4	4 585
	1969/70	5 385	92.1	35	0.8	426	7.3	5 846

Table 28. First-level school unit cost per pupil by area and percentage average annual change of unit cost between 1965/66 and 1969/70 (current prices Rs.)

Area	Year	Enrolment	Sal. and allow. per pupil	Change % p.a.	Non-teacher exp. per pupil	Change % p.a.	Total exp. per pupil	Change % p.a.
Kathmandu	1965/66	21 432	19.59	-	11.66	-	31.25	-
	1968/69	29 028	32.72	+22.3	12.40	+ 2.1	45.13	+14.8
	1969/70	33 516	41.53	+26.9	12.50	+ 0.8	54.03	+19.7
FCE	1965/66	10 507	32.17	-	5.61	-	37.78	-
	1968/69	29 400	35.92	+ 3.9	3.06	-15.0	38.98	+ 1.1
	1969/70	43 164	36.02	+ 0.3	2.27	-25.8	38.30	- 1.7
'Other'	1965/66	81 545	30.62	-	5.18	-	35.80	-
	1968/69	104 805	40.20	+10.4	3.54	-10.5	43.75	+ 7.4
	1969/70	113 880	47.29	+17.6	4.06	+14.7	51.33	+17.3

respectively between 1965/66 and 1969/70, but remained steady at about Rs. 38 in the FCE area. Thus, the introduction of the free and compulsory education programme in the FCE area, in addition to having a dramatic effect in increasing enrolments, had a substantial steadying effect on unit costs per pupil, since the recurrent cost per pupil grew to somewhat over one-quarter higher in both the Kathmandu and 'Other' areas in 1970.

From the figures given in Table 28, it is also seen that the evolution of salaries and allowances is the predominant feature governing the trend of unit costs over the period. The unit of non-teacher cost per pupil, consisting of teaching materials, administration, maintenance, etc. (a relatively important item in the Kathmandu area), at 23.1 per cent in 1970 (although decreasing in importance) increased at only a marginal rate over the period in that area. Non-teacher unit cost per pupil is not as significant in the FCE area (5.9 per cent in 1970) and actually decreased steadily over the period; the annual decrease rate of 25 per cent in 1970 can hardly continue. The non-teacher element for the 'Other' areas accounted for 7.9 per cent of cost in 1970 (this too is not a very important figure) and while the unit of non-teacher cost per pupil was declining by some 10 per cent annually between 1965/66 and 1968/69, this trend was reversed between 1968/69 and 1969/70 when an increase of 14.7 per cent was recorded.

Teacher cost per pupil increased at a high annual rate in the Kathmandu area over the period, with a rise of over 20 per cent annually in the earlier stage and of over 25 per cent between 1969 and 1970. While the annual increase in teacher cost per pupil was running at some 10 per cent in the earlier stage and was moving close to an annual 20 per cent increase in the final stage of the period in the 'Other' areas, still, in the FCE area, the annual increase was only marginal in the earlier period and practically nil between 1969 and 1970.

These trends in teacher costs per pupil are largely explained in Table 29, where the changes in the main indicative ratios over the period, average salary per teacher, pupil/teacher ratio and percentage of trained teachers, are highlighted.

The first obvious question to be answered is why should teacher cost per pupil have gone up so rapidly in the Kathmandu and 'Other' areas, while remaining relatively stable in the FCE area? (See Table 28) To start with, the average salary in the Kathmandu area (and indeed the teacher cost per pupil) was very low in 1965/66, somewhat above half of that in the other two areas. While the average salary per teacher had increased by 45 per cent in each of the FCE and 'Other' areas by 1969/70, this increase was 142 per cent, or an average of Rs. 781 per teacher in the Kathmandu area, thus bringing this gap in average salary to within more reasonable proportions. But then the pupil/teacher ratio increased from 28:1 in 1965/66 to 32:1 in 1969/70 in the Kathmandu area, slowing down the advance in the teacher cost per pupil; the pupil/teacher ratio went up substantially from 30 to 39:1 in the FCE area at the same time, thus holding back a rapid increase in teacher cost per pupil. During this period the pupil/teacher ratio in the 'Other' areas actually dropped back from 34 to 32, pushing teacher cost per pupil, already rising

Table 29. Increase in first-level teachers, in average salary and in pupil/teacher ratio from 1965/66 to 1969/70 (current prices, Rs.)

Area	1965/66				1969/70				Increase in avge. salary	
	Total teachers	Trained teachers %	Pupil/ teacher ratio	Average salary/ teacher	Total teachers	Trained teachers %	Pupil/ teacher ratio	Average salary/ teacher	Rs.	%
Kathmandu	765	25.8	28	549	1 047	20.3	32	1 330	781	142
FCE	350	26.6	30	966	1 107	19.4	39	1 405	439	45
'Other'	2 338	23.8	34	1 041	3 559	23.8	32	1 513	472	45

with the increase in average salary per teacher, a little further ahead.

Although there is a differential salary system for trained and untrained teachers, it may be seen from Table 29 that, while this has an important influence on the level of average salary per teacher, it does not cause any significant relative divergence between the Kathmandu and FCE areas for teacher costs per pupil. This is because the proportion of trained teachers in these two areas has declined at about the same rate, from some 25 per cent in 1965/66 to about 20 per cent in 1969/70; this decline has a lowering effect on the teacher cost per pupil. On the other hand, the percentage of trained teachers remained steady at 23.8 in the 'Other' areas.

In brief, therefore, teacher cost per pupil remained steady in the FCE area because the increase in average salary was offset by a substantial increase in the pupil/teacher ratio and, to some extent, by a lowering in the percentage of trained teaching staff.

(ii) Summary observations

Over-all recurrent expenditure increased by 170, 316 and 100 per cent in the Kathmandu, FCE and 'Other' areas respectively.

A change in the relative importance of teacher and non-teacher expenditure also occurred over the period, as shown in Table 30.

Table 30. Percentage change in teacher and non-teacher expenditure 1965/66 - 1969/70

Area	Teacher expenditure	Teaching materials	Other expenditure
Kathmandu	62.7 - 76.9	0.6 - 0.7	36.7 - 22.4
FCE	85.1 - 94.1	0.8 - 0.5	14.1 - 5.4
'Other'	85.5 - 92.1	0.7 - 0.6	13.8 - 7.3

With a future increase in the proportion of trained teachers, the relative importance of teacher expenditure must increase further in the Kathmandu area. An improved proportion of trained teachers in the other two areas in the future must also be accompanied by increased non-teacher expenditure.

The trends in teacher cost per pupil have been the dominant determining factors of trends in over-all unit cost per pupil. In the Kathmandu area the average salary per teacher was very low in 1965/66, but increased rapidly by 1969/70. Accordingly, teacher cost per pupil increased rapidly here, although this increase was halted somewhat by the rise in pupil/teacher ratio from 28 to 32:1 and the drop to 20.3 per cent in trained teaching staff. Future unit costs may

be curtailed somewhat as a further increase in the pupil/teacher ratio is tolerable.

In the FCE area, total unit cost per pupil remained steady, mainly because the modest rise in the average salary cost per teacher was offset by a substantial improvement in the pupil/teacher ratio from 30 to 39:1 and a decline in the percentage of trained teaching staff to 19.4. Unit cost per pupil must increase here in the future if the percentage of trained teachers is to be improved, since the pupil/teacher ratio is close to the maximum from the pedagogical viewpoint.

In the 'Other' areas over-all unit cost per pupil increased rapidly, mainly because of the increase in average salary cost per teacher and the decline in the pupil/teacher ratio from 34 to 32:1. An increase in this pupil/teacher ratio is tolerable and can help to hold back, to some extent, the pace of increasing unit cost in the future.

(iii) Second-level education

Recurrent expenditure figures by area and purpose for the years 1965/66, 1968/69 and 1969/70 are given in Table 31.

A large over-all increase in recurrent expenditure was recorded for all areas, increases of 72, 121 and 103 per cent in the Kathmandu, FCE and 'Other' areas respectively.

In relative terms, teacher cost is the major element of total expenditure in the three areas and remained fairly steady at over 90 per cent in the Kathmandu area, dropped from about this level to 83.4 per cent in the FCE area and increased from 82.8 to 87.1 per cent in the 'Other' areas over the period. Scholarship expenditure has not been, relatively speaking, a very significant item in any area; it has remained relatively static in the Kathmandu and FCE areas, but has increased from 0.3 to 1.0 per cent of the total expenditure in the 'Other' areas. Similarly, expenditure on teaching materials and supplies has not been a relatively important item and has remained fairly static at about 2 per cent of expenditure in the Kathmandu and 'Other' areas, and at some 1.5 per cent in the FCE area. Remaining expenditure (administration, maintenance, etc.) increased marginally from some 5 to 6.5 per cent of the total in the Kathmandu area and from 6.8 to 14.7 per cent in the FCE area and fell back from 14.1 to 9.8 in the 'Other' areas.

Unit cost per pupil by area and purpose for the years 1965/66, 1968/69 and 1969/70 is given in Table 32.

Unit cost per pupil in 1969/70 was Rs.122.78, Rs.177.42 and Rs.160.79 in the Kathmandu, FCE and 'Other' areas respectively; there continues to be quite a gap in unit costs between the areas, but it is much narrower than in 1965/66. There was, perhaps surprisingly, a decrease in unit cost per pupil in all three areas. The rate of decrease was marginal in the earlier stage and at some 10 per cent between 1969 and 1970 in the Kathmandu area; the average rate of decrease was somewhat over 10 per cent throughout in the FCE area.

Table 31. Second-level school recurrent expenditure by area and purpose in absolute and percentage terms 1965/66, 1968/69, 1969/70 (current prices, thousands of Rs.)

Area	Year	Salaries and allow. Amount	%	Scholarships Amount	%	Materials and supplies Amount	%	Other Amount	%	Total
Kathmandu	1965/66	1 663	93.0	7	0.4	33	1.8	86	4.8	1 789
	1968/69	2 494	91.7	10	0.4	59	2.2	158	5.7	2 721
	1969/70	2 803	91.1	11	0.4	63	2.0	200	6.5	3 077
FCE	1965/66	415	91.4	1	0.3	7	1.5	31	6.8	454
	1968/69	766	83.3	3	0.3	11	1.2	140	15.2	920
	1969/70	839	83.4	4	0.4	15	1.5	148	14.7	1 006
'Other'	1965/66	1 772	82.8	6	0.3	59	2.8	304	14.1	2 141
	1968/69	3 107	86.3	30	0.8	74	2.0	400	11.2	3 611
	1969/70	3 786	87.1	43	1.0	93	2.1	427	9.8	4 349

Table 32. Second-level school unit cost per pupil by area and average percentage annual change of unit cost between 1965/66 and 1969/70 (current prices, Rs.)

Area	Year	Enrolment	Salary and allowances Per pupil	Change %	Non-teacher expenditure Per pupil	Change %	Total expenditure Per pupil	Change %
Kathmandu	1965/66	12 771	130.21	-	9.87	-	140.08	-
	1968/69	19 992	124.73	- 1.9	11.35	+ 4.9	136.10	- 0.9
	1969/70	25 060	111.85	-10.3	10.93	- 3.7	122.78	- 9.8
FCE	1965/66	1 560	266.03	-	25.00	-	291.03	-
	1968/69	4 580	167.25	-12.4	33.62	+11.5	200.87	-10.3
	1969/70	5 670	147.97	-11.5	29.45	-12.4	177.42	-11.7
'Other'	1965/66	9 428	187.95	-	39.14	-	227.09	-
	1968/69	17 550	177.03	- 1.9	28.72	- 8.9	205.75	- 3.1
	1069/70	27 048	139.98	-21.0	20.81	-27.5	[illegible]	-21.9

In the 'Other' areas, the rate of decrease in unit cost averaged some 3 per cent in the earlier stage and dropped by over 20 per cent between 1969 and 1970.

It can also be seen from Table 32 that total unit costs per pupil have decreased parallel with teacher cost per pupil. Non-teacher unit cost per pupil moved erratically, but trends in teacher costs are so predominantly determinant of total unit costs per pupil that the erratic movement of non-teacher costs does not significantly alter the trends of total unit cost per pupil.

It is important, therefore, to trace the causes of the trends in the movement of teacher cost per pupil by area. These trends are largely explained from the changes in the main indicative ratios for the period shown in Table 33.

First of all there was a wide divergence between the average salary per teacher in both the Kathmandu and 'Other' areas (where the average is close to being equal at about Rs. 1 700), and the FCE area, where the average was Rs. 3 990 in 1965/66. This gap was substantially narrowed by 1970 through an average salary increase per teacher of Rs. 432, i.e. a 26 per cent increase, in the Kathmandu area; an average salary decrease of Rs. 1 327, i.e. a 33 per cent decrease, in the FCE area; and a marginal decline in average salary in the 'Other' areas. Also, the proportion of trained teachers on the staff declined at about the same rate in each area, having a somewhat lowering effect on the level of average salary.

Increases in the pupil/teacher ratio, from 13 to 19:1, 15 to 18:1 and 9 to 12:1 in the Kathmandu, FCE and 'Other' areas respectively, also had a lowering effect on total cost per pupil relative to the importance of these changes.

Briefly, total unit cost per pupil is highest in the FCE area in 1970 because both teacher cost per pupil and average salary per teacher are also highest in that area, and the total unit cost is lowest in the Kathmandu area because these are both lowest there. The level of this unit cost is largely influenced, therefore, by the level of salaries for trained and untrained teachers, the proportion of trained teachers on the staff and the level of the pupil/teacher ratio.

(iv) Summary observations

There was a large absolute increase in recurrent expenditure compared to the growth in enrolment between 1965/66 and 1969/70 in the three areas, as shown in Table 34.

Some change in the relative importance of teacher and non-teacher expenditure also occurred over the period, as shown in Table 35.

Since it is necessary that the proportion of trained teachers must, in the future, be increased, then it is likely that teacher cost must account for over 90 per cent of total expenditure in each area.

Unit cost per pupil can hardly continue the decreasing trend experienced between 1965 and 1970, since this is so closely related to

Table 33. Increase in second-level teachers, in their average salary and in the pupil/teacher ratio from 1965/66 to 1969/70 (current prices, Rs.)

Area	1965/66				1969/70				Increase in Average salary	
	Total teachers	Trained teachers %	Pupil/ teacher ratio	Average salary/ teacher	Total teachers	Trained teachers %	Pupil/ teacher ratio	Average salary/ teacher	Amount	%
Kathmandu	982	34.7	13	1 693	1 319	26.2	19	2 125	+ 432	+26
FCE	104	24.0	15	3 990	315	18.4	18	2 663	-1 327	-33
'Other'	1 036	31.7	9	1 710	2 254	26.3	12	1 680	- 30	- 2

Table 34. Percentage increase in enrolment and expenditure 1965/66 - 1969/70

Area	Enrolment increase	Expenditure increase
Kathmandu	95	72
FCE	256	121
'Other'	188	103

Table 35. Percentage change of teacher and non-teacher expenditure 1965/66 - 1969/70

Area	Salaries	Scholarship	Teaching materials	Other
Kathmandu	93.0 - 91.1	0.4 - 0.4	1.8 - 2.0	4.8 - 6.5
FCE	91.4 - 83.4	0.3 - 0.4	1.5 - 1.5	6.8 - 14.7
'Other'	82.8 - 87.1	0.3 - 1.0	2.8 - 2.1	14.1 - 9.8

teacher cost per pupil and the proportion of trained teachers must be increased. Further increases in pupil/teacher ratios, necessary in the 'Other' areas (12:1 in 1970), and tolerable in the present circumstances in both the Kathmandu and FCE areas (19 and 18:1 respectively in 1970), may hold back the unit cost increase somewhat but can hardly be sufficient to halt it.

B. CAPITAL EXPENDITURE

While there is generally a certain relationship over a number of years between recurrent and capital expenditure (and financing), these two forms of outlay are not necessarily synchronized annually. This may happen, for example, because of lags in the building process and delays in working new schools up to full efficiency.

(i) First-level education

Actual capital and recurrent expenditure on first-level education by area for the years 1965/66, 1968/69 and 1969/70 and the relative percentage of each in the total outlay is given in Table 36.

A good proportion of the total expenditure has been devoted to buildings over this period. The highest increase in capital expenditures took place in the Kathmandu area (almost seven-fold); yet the FCE region has spent relatively more than the 'Other' areas: in 1965/66 in the FCE

Table 36. Recurrent and capital expenditure and ratios for 1965/66, 1968/69 and 1969/70 (current prices, thousands of Rs.) - First-level education

Area	Year	Recurrent expenditure		Capital expenditure		Total expenditure
		Amount	%	Amount	%	Amount
Kathmandu	1965/66	670	93.8	44	6.2	714
	1968/69	1 310	86.3	208	13.7	1 518
	1969/70	1 811	85.7	303	14.3	2 114
FCE	1965/66	397	83.6	78	16.4	475
	1968/69	1 146	81.4	261	18.6	1 407
	1969/70	1 653	90.6	172	9.4	1 825
'Other'	1965/66	2 919	89.9	329	10.1	3 248
	1968/69	4 585	92.3	380	7.7	4 965
	1969/70	5 846	92.6	464	7.4	6 310

region Rs. 78 000 as against Rs. 329 000 by the 'Other' areas; while in 1969/70 FCE devoted Rs. 172 000 as against Rs. 464 000 in the 'Other' areas.

(ii) Second-level education

Capital and recurrent expenditure on second-level education by area for the years 1965/66, 1968/69 and 1969/70 and the percentage devoted to each is given in Table 37.

Table 37. Recurrent and capital expenditure and ratios for 1965/66, 1968/69 and 1969/70 (current prices, thousands of Rs.) - Second-level education

Area	Year	Recurrent expenditure		Capital expenditure		Total expenditure
		Amount	%	Amount	%	Amount
Kathmandu	1965/66	1 789	87.7	252	12.3	2 041
	1968/69	2 721	97.1	80	2.9	2 801
	1969/70	3 077	94.9	164	5.1	3 241
FCE	1965/66	454	91.9	40	8.1	494
	1968/69	920	93.1	68	6.9	988
	1969/70	1 006	92.8	78	7.2	1 084
'Other'	1965/66	2 141	83.0	439	17.0	2 580
	1968/69	3 611	90.1	395	9.9	4 006
	1969/70	4 349	82.4	932	17.6	5 281

Relative to the enrolment increase in all three areas, expenditure on buildings over the period has not been remarkable and has had a somewhat erratic trend. This is shown in Table 38.

Table 38. Factors in expenditure evolution, 1965/66 - 1969/70

Area	Enrolment increase %	Recurrent expenditure increase %	Capital expenditure increase %	Total expenditure %
Kathmandu	95	72	-35	58
FCE	263	121	95	119
'Other'	187	103	112	104

(iii) Financing related to expenditure

In Table 39 total recurrent and capital expenditure per pupil is related to total financing per pupil by area for the years 1965/66, 1968/69 and 1969/70. This is of interest especially because there is no precise earmarking of financing for recurrent or capital purposes and, in account-keeping, there is a certain mixing of recurrent and capital items with some difficulty in the conversion to monetary terms of financing in kind, i.e. voluntary assistance, labour and the donation of goods and materials. Certain value judgements had to be made and no precise guideline can be given as to the extent to which the data used in the analysis reflect an over-estimate of financing or an under-estimate of expenditure figures. The trends traced and the magnitude levels are sufficiently accurate, however, to validate the diagnosis and render it helpful for planning.

The striking feature from Table 39 is the indication of surplus financing in all three areas, for both first- and second-level education, in the three years compared, as shown by the expenditure-financing ratio. As mentioned earlier, it is not expected that expenditure and financing figures should tally exactly each year, but they must do so over a series of years if a balanced budget policy is pursued; perhaps a comparison of figures for a longer series of consecutive years is necessary for more precise assessment. However, figures for the years under study show a trend towards a closer balancing of expenditure and financing in the shorter term for some areas and for both levels. The level of surplus-financing indicated at 1970 still seems too high.

Table 39. Total of recurrent and capital expenditure per pupil and total financing per pupil for 1965/66, 1968/69 and 1969/70 by area and level (current prices, Rs.)

Area	Level	1965/66			1968/69			1969/70		
		Total exp./ pupil	Total financing per pupil	Expenditure financing	Total exp./ pupil	Total financing per pupil	Expenditure financing	Total exp./ pupil	Total financing per pupil	Expenditure financing
Kathmandu	First	33.31	34.43	0.97	52.29	64.25	0.81	63.07	72.38	0.87
	Second	159.82	174.46	0.92	140.11	141.46	0.99	129.33	131.12	0.99
FCE	First	45.20	58.44	0.77	47.86	52.14	0.92	42.28	44.39	0.95
	Second	316.67	336.54	0.94	215.72	241.05	0.89	191.18	210.40	0.91
'Other'	First	39.83	53.22	0.75	47.37	59.45	0.80	55.41	59.70	0.93
	Second	273.65	448.14	0.61	228.43	316.18	0.72	195.25	254.10	0.77

VI. Summary and conclusions

The main focus of interest in this statistical survey of first- and second-level education in certain selected areas of Nepal has been on the absolute and relative changes which occurred in enrolments, expenditure and financing between 1965 and 1970, when major educational reforms were being implemented. Among these reforms, the introduction of the free and compulsory first-level education programme in some areas, and with it the granting of legal power to local authorities to raise public finance for this level of education through taxation, was of particular interest. Three areas typifying major differences in the country were chosen for comparison in making the survey: Kathmandu, a relatively well-developed area; FCE, representing districts where the free and compulsory education programme was introduced; and 'Other' areas, made up of representative districts where this programme was not introduced.

A. ENROLMENTS

Firstly, it is appropriate to review the trend of enrolment in these areas, since an increase here is a major national objective and is also a basic determinant of the trend of expenditure, and thus of financing.

(i) First-level education

The most relevant changes in enrolment trend between 1965 and 1970 are summarized in Table 40.

The introduction of the free and compulsory education programme in the FCE area, while boosting enrolment dramatically in comparison with the other two areas, still achieved an apparent participation ratio of only 71.8 per cent. Increased participation by girls was stimulated somewhat by the introduction of this programme, as compared with the 'Other' area, but the level of girls' participation remains a serious problem in all three areas. There is also an acute wastage problem. Data did not allow differentiation between drop-out and repetition rates

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but it may be said that wastage is heavier in the earlier grades and is also heavier for girls.

Table 40. Main enrolment changes, first-level education, 1965 - 1970

	Kathmandu	FCE	'Other'
	1965 - 70	1965 - 70	1965 - 70
Enrolment increase %	56	310	40
Apparent enrolment ratio %	37 - 53	27 - 71.8	20 - 25
Girls' enrolment %	27.8 - 32.9	17.8 - 24.8	11.5 - 13.2

The big increase in the number of establishments and their average enrolment size between 1965 and 1970 are given in Table 41.

Table 41. Increase in the number of schools and their enrolments, first-level education, 1965 - 1970

Area	Schools 1965-1970	Average enrolment size 1965-1970
Kathmandu	282 - 399	76 - 84
FCE	133 - 396	79 - 109
'Other'	1 735 - 2 190	47 - 52

While the average school size has increased, obviously there are still many schools below the minimum size considered desirable from both economic and pedagogical viewpoints. However, with the enrolment ratio not yet at a high level, an increase in size of most of these establishments is quite possible.

Improved inspection in enforcing the regulations on compulsory education is necessary. It is also evident that a public information campaign, together with curriculum development, are necessary to boost girls' participation and reduce over-all wastage.

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(ii) Second-level education

The main enrolment changes in second-level education between 1965 and 1970 are given in Table 42.

Table 42. Main enrolment changes, second-level education 1965 - 1970

	Kathmandu 1965-1970	FCE 1965-1970	'Other' 1965-1970
Enrolment increase %	95	256	188
Apparent enrolment ratio %	24.5 - 44.2	4.6 - 15.3	2.4 - 6.7
Girls' enrolment %	26.7 - 29.9	12.8 - 11.9	14.2 - 11.2

While a noteworthy over-all increase in the FCE area occurred, probably stimulated by the introduction of the free and compulsory first-level education programme, nevertheless the advance was from a very low base and indeed the ratio of second- to first-level enrolments in 1970 is somewhat lower than it was in 1965. Despite the reasonable total enrolment increase in the 'Other' areas, the level of participation is still very low. The percentage of girls enrolled in both these areas is very unsatisfactory. By contrast, figures for the Kathmandu area are relatively satisfactory and a steady improvement is taking place.

Wastage rates, though declining, are still high for all areas and more pronounced in the earlier grades.

The increase in the number of schools and in their average enrolment size over the period is given in Table 43.

Table 43. Increase in the number of schools and their enrolment second-level education, 1965 - 1970

Area	Schools 1965 - 1970	Average enrolment size 1965 - 1970
Kathmandu	99 - 131	129 - 199
FCE	20 - 45	78 - 126
'Other'	176 - 276	53 - 98

With likely continued increase in second-level enrolments, it is possible that many of the smaller schools may yet reach the minimum size considered desirable from the pedagogical and economic viewpoints.

The two main problems are wastage, especially in the earlier grades, and the low level of participation by girls.

B. RECURRENT EXPENDITURE

(i) First-level education

There were large increases of 170, 316 and 100 per cent in total recurrent expenditure in the Kathmandu, FCE and 'Other' areas respectively. The evolution of teacher cost mainly governed the trend of unit costs per pupil. Percentage expenditure on teachers increased relatively in the three areas; from 62.7 to 76.9 per cent in the Kathmandu area and from some 85 to over 90 per cent in the two other areas. Total unit cost per pupil advanced steadily from Rs. 31.26 to Rs. 54.03 and from Rs. 35.80 to Rs. 51.33 in the Kathmandu and 'Other' areas respectively, but remained steady at about Rs. 38 in the FCE area.

The basic causes of the evolution of these unit costs are summarized in Table 44.

Table 44. Evolution of basic costs, 1965 - 1970

	Kathmandu 1965-1970	FCE 1965-1970	'Other' 1965-1970
Increase in average salary (%)	142	45	45
Change in pupil/ teacher ratio	28 - 32	30 - 39	34 - 32
Change in percentage of trained teachers	25.8 - 20.3	26.6 - 19.4	23.8 - 23.8

Unit cost per pupil remained steady in the FCE area because the normal increase in salary was offset by a substantial increase in the pupil/teacher ratio from 30 to 39 and a decrease in the percentage of trained teachers from 26.6 to 19.4 per cent.

Increases in the pupil/teacher ratios in the Kathmandu and 'Other' areas are desirable. The very low percentage of trained teachers engaged is a serious problem which must be tackled soon if the quality of education is to be improved.

(ii) Second-level education

Total recurrent expenditure increased by 72, 121 and 103 per cent in the Kathmandu, FCE and 'Other' areas respectively. Again, it was the evolution of teacher cost which mainly governed the trends of unit costs per pupil. Relatively speaking, total teacher cost remained fairly steady at over 90 per cent in the Kathmandu area, dropped from this level to 83.4 per cent in the FCE area and increased from 82.8 to 87.1 per cent in the 'Other' areas. There was a decrease in total unit costs per pupil in all areas to Rs.122.78, Rs.177.42 and Rs.160.79 in the Kathmandu, FCE and 'Other' areas respectively.

The main causes for the evolution of total unit costs per pupil between 1965/66 and 1969/70 are summarized in Table 45.

Table 45. Evolution of total unit costs, 1965 - 1970

	Kathmandu 1965-1970	FCE 1965-1970	'Other' 1965-1970
Increase in average salary (%)	+26	-33	-2
Change in pupil/ teacher ratio (:1)	13 - 19	15 - 18	9 - 12
Change in percentage of trained teachers	34.7 - 26.2	24.0 - 18.4	31.7 - 26.3

Total unit cost per pupil is highest in the FCE area in 1970 because both teacher cost per pupil and average salary per teacher are also highest in that area, and lowest in the Kathmandu area because both are lowest there. A further increase in the pupil/teacher ratio is necessary in the 'Other' areas and increases are tolerable, at the present level of development, in the Kathmandu and FCE areas also. Again, the very low percentage of trained teachers is a serious problem which must soon be tackled.

C. CAPITAL EXPENDITURE

A reasonable outlay has been incurred on first-level school building in the three areas over the period and in 1969/70 the sum of Rs.10 249 000 was spent, i.e. some 10 per cent of all first-level educational expenditure. During 1969/70, the sum of Rs.1 174 000 went to second-level school building, i.e. some 12 per cent of the total expenditure on second-level education.

D. FINANCING

(i) First-level education

The main over-all feature of public financing as a percentage of total financing between 1965 and 1970, when the educational reforms were being implemented, may be summarized as follows: a large decrease from 56.2 to 29.2 per cent in Kathmandu; a large increase from 49.0 to 80.6 per cent in the FCE area; and a rather static level from 49.2 to 46.5 per cent in 'Other' areas.

Increased income from fees largely replaced the relative decrease in public financing in the Kathmandu area. Income raised by local authority taxation, introduced with the free and compulsory education programme, is mainly responsible for boosting public financing to account for over 80 per cent of all financing in the FCE area in 1969/70. In the context of this same comment, however, it must be added that, just as for the 'Other' areas, where the free and compulsory education programme was not introduced, income from private sources stagnated somewhat during this period.

Change in public/private financing per pupil between 1965/66 and 1969/70 is also relevant and is summarized in Table 46.

Table 46. Change in public/private financing per pupil for the first level, 1965/70 (Rs.)

	Kathmandu 1965-1970	FCE 1965-1970	'Other' 1965-1970
Public financing/ pupil	19.36 - 21.12	28.65 - 35.77	25.64 - 27.77
Private financing/ pupil	15.07 - 51.26	29.79 - 8.62	27.58 - 31.39
Total financing/ pupil	34.43 - 72.38	58.44 - 44.39	53.22 - 59.70

While public financing per pupil increased only marginally in the Kathmandu and 'Other' areas, the increase was of the order of 25 per cent in the FCE area. The amount of public subvention per pupil is about 1:1.7 : 1.3 for the Kathmandu, FCE and 'Other' areas respectively, which seems reasonable given the level of development of each area and the specific introduction of compulsory education in the FCE area. Perhaps the most discouraging aspect of the new financing position is the big drop in private financing to Rs. 8.62 per pupil with the introduction of the programme for the FCE area.

(ii) Second-level education

In second-level education, government grants are the only form of public financing since local authority income is not available. The change in the relative importance of government grants as a percentage of total financing over the period is summarized as follows: a slight increase in the Kathmandu area from 25.9 to 30.3 per cent; a slight decrease in the FCE area from 15.6 to 10.8 per cent; a marginal increase from 19.1 to 21.0 per cent in the 'Other' areas.

The overwhelming importance of private financing in all areas is at once obvious, but the relatively higher dependence on private financing in the less developed FCE and 'Other' areas is also striking. In the Kathmandu area, income from tuition fees in 1970 accounted for 51.7 per cent of total income as against 57.8 per cent in 1965; the relative decrease was made up mainly from government grants. In the FCE and 'Other' areas, income from tuition fees continued to account for about one-third of total income. Income from school lands has grown in importance in the FCE area to account for a quarter of the total income in 1970, indicating possibilities in this direction in the 'Other' areas where income from this source accounted for only about 5 per cent of total income in 1970.

The change in public/private financing per pupil over the period is also very pertinent and is summarized in Table 47.

Table 47. Change in public/private financing per pupil for the second level, 1965/70 (Rs.)

	Kathmandu 1965-1970	FCE 1965-1970	'Other' 1965-1970
Public financing/ pupil	45.10 - 39.78	52.56 - 22.75	85.50 - 53.42
Private financing/ pupil	129.36 - 91.34	283.98 - 187.65	362.64 - 200.68
Total financing/ pupil	174.46 - 131.12	336.54 - 210.40	448.14 - 254.10

Since a good over-all increase in enrolment was recorded during this period, the substantial decrease in total financing per pupil in all areas is indicative of the better use of finance. However, the higher level of financing per pupil in the FCE and 'Other' areas over that in Kathmandu is indicative of possibilities of better use still in these two areas. A comparison of the levels of public financing per pupil by area indicates a case for increased government grants to the FCE area.

(iii) Financing related to expenditure

Financing data used in the analysis include both recurrent and capital items and in account-keeping there is also some mixing of these items. Indeed, the data must be treated with a certain reserve since they contain, in some instances, value judgements occasioned by lack of sophisticated account-keeping and difficulty in converting 'kind' into monetary terms.

It is found that financing for the years examined is far from tallying with expenditure. Of course, it is not expected that financing and expenditure should exactly coincide annually; this is not possible because of lags in building, in settlement of accounts, etc., but the coincidence should be fairly close over a series of years. Here, the level of surplus-financing indicated is too high. This gap may be accounted for to some extent by an over-estimation of financing. The trend over the period, however, is towards a closer balancing of financing and expenditure annually, though the gap is still too wide in 1970.

E. IMPLEMENTATION PROBLEMS

To conclude, it might be appropriate to ask, why was the free and compulsory education programme not generally applied throughout the country, as it seems to have had some positive effects on the enrolment expansion and the financing of the cost of education? As a matter of fact, many obstacles to implementation of an administrative nature are being encountered.

At the centre, a clear-cut financing policy should be articulated. More precise regulations on financing, including sanctions for non-fulfilment, should also be defined. Responsibility for making guidelines and regulations on curriculum development should be firmly assumed at the centre. It would seem opportune also to have norms and standards for school buildings centrally defined and their implementation supervised.

At the local level, it appears that the idea of a school management committee per school is not entirely successful. An organizational framework having less committees, say one per five or ten schools, depending on geographical and demographic aspects, would seem more appropriate and might lead to more commitment on the committee side.

The level of academic and professional qualifications of top administrative personnel such as District Education Officers and supervisors is generally not up to that required by their responsibilities. Also, up to 75 per cent of their time may be devoted to clerical duties involving mainly the flow of information from the region to the centre. Insufficient time, accordingly, is devoted to educational planning proper and pedagogical development.

Indeed, there is also a grave shortage of supervisors, to the extent that many schools do not even receive one annual inspection.

The accounting systems in the local offices and in the schools are

not well developed. Capital and recurrent items are often mixed and, more seriously, the system leads sometimes to tax leakage (as was discovered by the investigator). Although school management committees are expected by regulation to appoint auditors, in practice few committees have observed this regulation.

The level of local taxation raised with the introduction of the free and compulsory education programme was depressed by the inadequacies of local administrative machinery, which, in turn, held back the rate of expansion of the programme. Of course, the low level of resources of the people in the less developed areas must also be mentioned as constituting a main obstacle towards furtherance of the free and compulsory education programme.

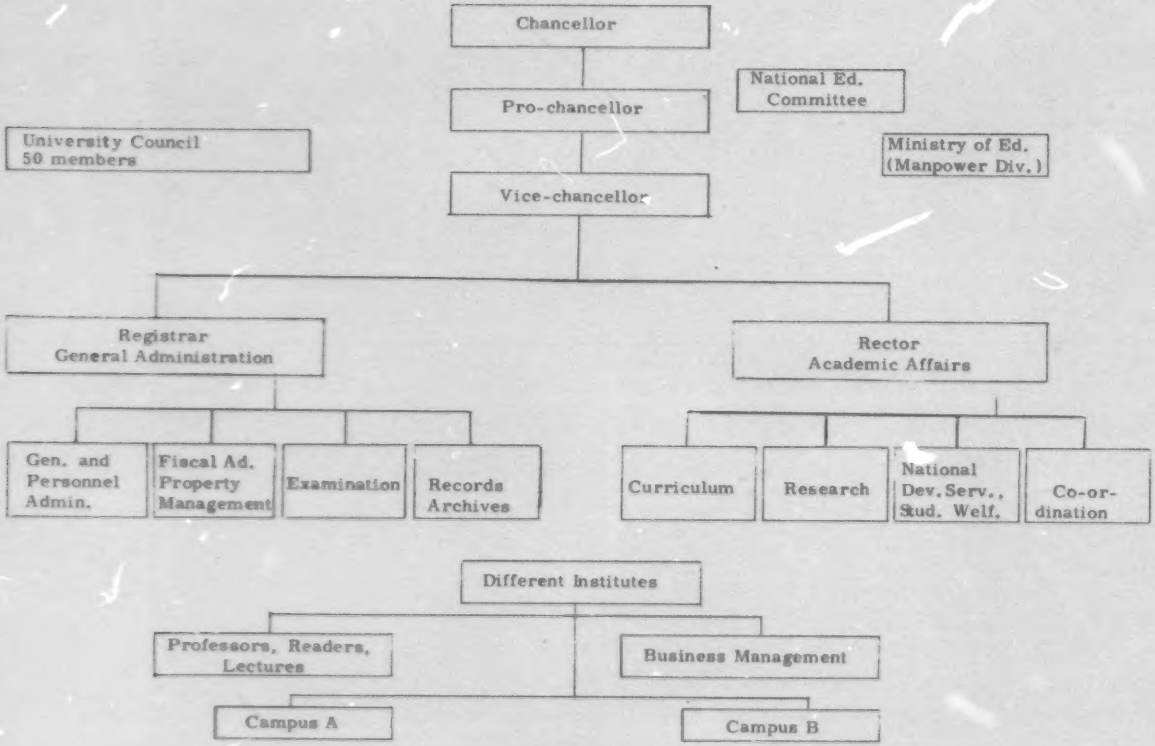
Appendixes

APPENDIX A. TECHNICAL TRAINING INSTITUTIONS

Name of Technical Institutions	Supervising Ministry	Type of courses offered
1. Forestry Institute	Ministry of Forests	(a) two years Ranger Course for high school graduates; (b) one year Forester course for the grade VIII graduates;
2. Nurses Training School	Ministry of Health	Three years nursing course for the high school graduates;
3. Auxiliary Health Works School	Ministry of Health	Two years course for health assistants for high school graduates;
4. Assistant nurse and midwife training	Ministry of Health	Two years course for girls after grade VIII education;
5. Laboratory Technician Training	Ministry of Health	Two years trainning for high school graduates;
6. Ayurveda Vidyalaya	Ministry of Health	Six years course in Ayurvedic medicine;
7. Agriculture College	Ministry of Agriculture	Two years course for high school graduates;
8. Telecommunication Training	Ministry of Transport and Communication	Two years course (in-service training)
9. Civil Engineering School	Ministry of Transport and Communications	Two years course for high school graduates;

10.	Technical Training Institute	Ministry of Industry	Three years Mechanical and Electrical Engineering course for the high school graduates;
11.	Vocational Training Centre	Ministry of Industry	One year course in metal work for the grade VIII graduates;
12.	Technical Training Institute, Kathmandu	Ministry of Industry	Two years course for high school graduates in different branches of Cottage Industry;
13.	Cottage Industry Training Centre, Pokhara	Ministry of Industry	One-year course for literate people;
14.	Technical Training Institute, Balaju	Ministry of Industry	Three-years course in metal work for high school graduates;
15.	National Vocational Training Centre, Kathmandu	Ministry of Education	Two-years diploma course in agriculture, secretarial training, trade and industry and home science for the high school graduates;
16.	College of Education, Kathmandu	Ministry of Education	1. Two years teacher training for first-level school teachers; 2. Four plus two-years training for second-level school teachers.

APPENDIX B. UNIVERSITY ORGANIZATION

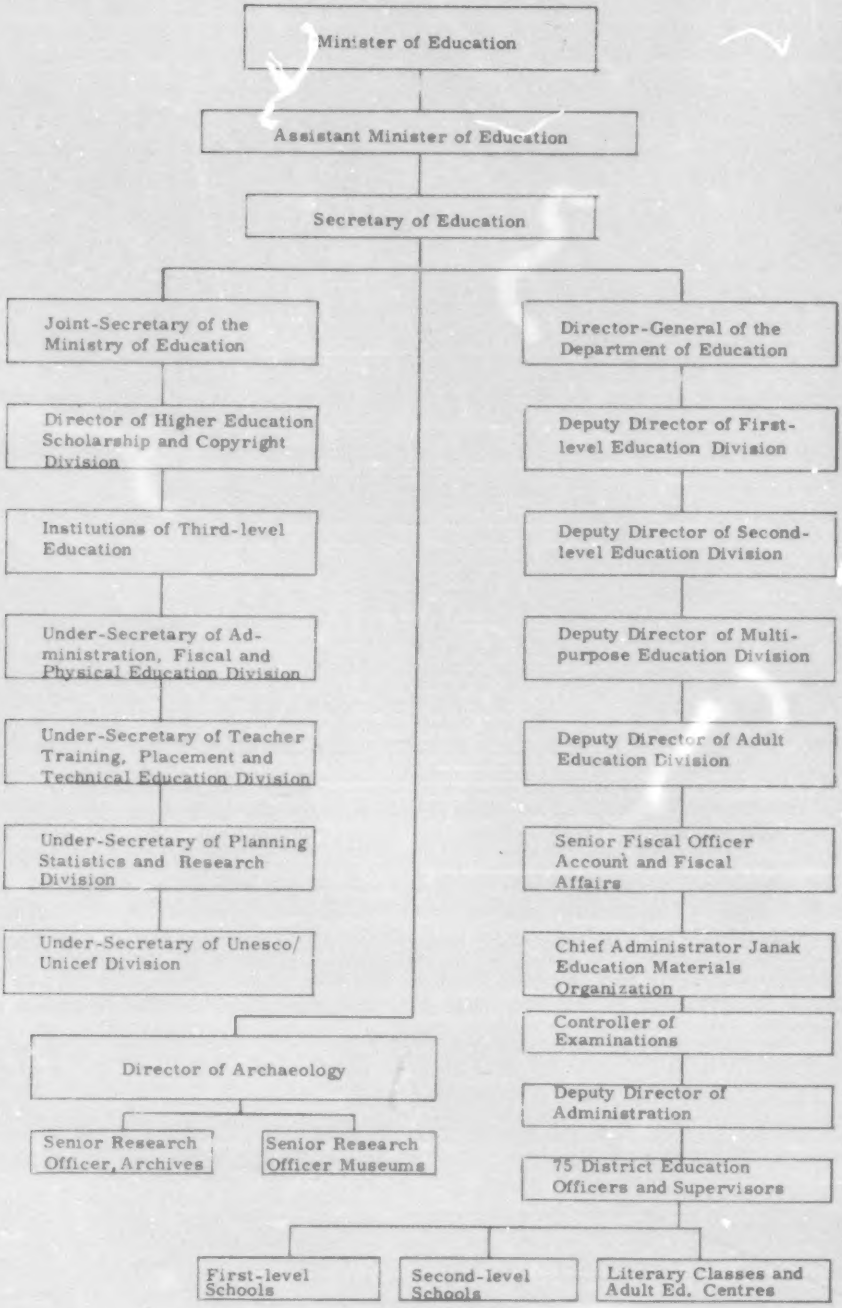


APPENDIX C. POWERS AND FUNCTIONS OF THE UNIVERSITY

Tribhuvan University, the only university in the Kingdom, was established under the University Act of 1959. It is a self-governing and organized corporate body, competent to exercise its powers and duties under the provision of the University Act, as follows:

1. To make provision for research and the dissemination of knowledge;
2. To establish, maintain and manage an institution of third-level education;
3. To prescribe courses of study for different branches of learning;
4. To institute and confer degrees, diplomas, and other academic distinctions;
5. To admit educational institutions to the privileges of the university;
6. To ensure proper standards of instruction in the colleges;
7. To control and co-ordinate the activities of the colleges;
8. To make provisions for: (a) physical exercise and military training; (b) a Students Union; (c) sports and sporting clubs;
9. To institute and manage Press, Extension Boards and Employment Bureaux.

APPENDIX D. ORGANIZATION OF THE MINISTRY OF EDUCATION


Minister of Education
Assistant Minister of Education
Secretary of Education
Joint-Secretary of the Ministry of Education
Director of Higher Education Scholarship and Copyright Division
Institutions of Third-level Education
Under-Secretary of Administration, Fiscal and Physical Education Division
Under-Secretary of Teacher Training, Placement and Technical Education Division
Under-Secretary of Planning Statistics and Research Division
Under-Secretary of Unesco/ Unicef Division
Director-General of the Department of Education
Deputy Director of First-level Education Division
Deputy Director of Second-level Education Division
Deputy Director of Multi-purpose Education Division
Deputy Director of Adult Education Division
Senior Fiscal Officer Account and Fiscal Affairs
Chief Administrator Janak Education Materials Organization
Controller of Examinations
Deputy Director of Administration
75 District Education Officers and Supervisors
Director of Archaeology
Senior Research Officer, Archives
Senior Research Officer Museums
First-level Schools
Second-level Schools
Literary Classes and Adult Ed. Centres

APPENDIX E. COMPOSITION OF FIRST AND SECOND-LEVEL SCHOOL MANAGEMENT COMMITTEES

First-level school management committee

Chairman	Pradhan panch (leader) of village or town panchayat or a person who has a keen interest in education;
1 member	Ward (different sections of the village or town) member of town or village panchayats;
1 member	One elected member from the donors;
1 member	The headmaster of the school;
1 member	One representative from the parents;
1 member	One representative from the teacher staff;
1 member	One unclassified member

Second-level school management committee

Chairman	One nominated person from the District Education Committee;
1 member	Chairman or a member of the particular village or town panchayat;
1 member	One nominated member from the District Education Committee;
1 member	The headmaster of the school;
1 member	One elected member from the donors;
1 member	One representative from the teaching staff;
1 member	One representative from the parents or donors, etc.;
1 member	One member nominated by the District Education Office;
1 member	One unclassified member.

APPENDIX F.

Table 1. Salary scale and incremental rules for trained teachers

Area	Year	Commencing salary first-level (Rs. per month)	Grade of teacher	Commencing salary second-level (Rs. per month)
			Middle school teacher	
Kathmandu	1965/66	105	Non-gazetted I Class	250
			Non-gazetted II Class	155
			High school teacher	
	1968/69	115	Gazetted II Class	650
			Gazetted III Class	475
			Gazetted IV Class	375
			Non-gazetted I Class	250
	1969/70	115		
FCE	1965/66	105	As above	
	1968/69	115		
	1969/70	115		
'Other'	1965/66	105	As above	
	1968/69	115		
	1969/70	115		

Note: The government school teachers' salaries are indicated above; the trained teachers also get the same amount. In aided and non-aided schools, the school management committee appoints teachers, therefore they receive different salaries in different schools.

Table 2. Average salary per teacher in first and second-level education (Rs. per month)

Area	Years	First level		Second level	
		Trained	Untrained	Trained	Untrained
Kathmandu	1969/70	115	109/72	200	168/94
FCE	1969/70	140	111/53	250	216/00
'Other'	1969/70	130	124/87	185	123/90

APPENDIX F.

Table 3. Growth of first and second-level schools

Area	Year	First level			Second Level		
		No. of schools	Pupils per school	Pupil/ teacher ratio	No. of schools	Pupils per school	Pupil/ teacher ratio
Kathmandu	1965/66	282	76	28:1	99	129	13:1
	1968/69	354	82	31:1	119	168	17:1
	1969/70	399	84	32:1	131	199	19:1
FCE	1965/66	133	79	30:1	20	78	15:1
	1968/69	394	100	36:1	43	112	17:1
	1969/70	396	109	39:1	45	126	18:1
'Other'	1965/66	1 735	47	34:1	176	53	9:1
	1968/69	2 055	51	34:1	225	78	11:1
	1969/70	2 190	52	32:1	276	98	12:1

Source: All tables are based on data from the Planning, Statistics and Research Division, Ministry of Education, Nepal.

Table 4. Teachers in first and second-level education (trained and untrained) by level of education and by areas, 1965/66 and 1969/70

Area	Grade	1965/66			1969/70		
		Trained	Untrained	Total	Trained	Untrained	Total
Kathmandu	I-V	197	568	765	213	834	1 047
	VI-X	341	641	982	346	973	1 319
FCE	I-V	93	257	350	215	892	1 107
	VI-X	25	79	104	56	259	315
'Other'	I-V	571	1 827	2 398	847	2 712	3 559
	VI-X	328	708	1 036	593	1 661	2 254

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APPENDIX G. HIGHLIGHTS OF THE NEW EDUCATIONAL PLAN

(i) First-level education will be of three years' duration, (grades I to III) for school-age 6 to 8 population and the goal at this level will be to make children able to read and write.

(ii) Middle-school education will be of four years' duration (grades IV to VII) for the age-group 9 to 12. The goal of this level of education will be to build the character of children.

(iii) High-school education shall extend from grades VIII to X, for the age-group 13 to 15. The goal will be to produce skilled workmen.

A. FIRST-LEVEL EDUCATION

At this level, the emphasis will be laid on the language skills of children. An elementary knowledge of arithmetic and general ideas about the King, the Queen and the country will also be given.

First-level educational facilities will be made available to 64 per cent of first-level school-age children.

Those teachers who have passed the High School Certificate Examination or equivalent courses and who have undergone teacher training will be made first-level school teachers.

Quality textbooks will be made available, free of cost, to all children in remote areas and at a reasonable price to the children of other areas.

A district examination will be conducted at the end of first-level education.

His Majesty's Government, in the forms of financial grants, will disburse the total fund required to meet the cost of all first-level school teachers in the country.

B. SECOND LEVEL - MIDDLE SCHOOL EDUCATION

In this level of education, the knowledge of language arts and arithmetic will be further strengthened.

This period has been considered important for cultivating a sense of loyalty, patriotism, discipline and responsibility in children and, thus, emphasis will be laid on the formation of a good character through appropriate textbooks and curriculum provisions.

Efforts will be made to develop a positive attitude towards work and a sense of respect for manual labour through the introduction of pre-vocational courses.

Facilities for middle-school education will be available to 40 per cent

of children who have received first-level education.

Those who have I.Ed. or I.A. or equivalent diplomas and who have undergone teacher training will be employed as middle-school teachers.

The government will subsidize 100 per cent in the case of remote areas, and 75 per cent in other areas, of the fund necessary for the payment of teachers' salaries.

There will be one competitive examination on a zonal basis at the end of middle-school education.

C. SECOND-LEVEL - HIGH-SCHOOL EDUCATION

The goal of high-school education will be to turn out skilled workers. There will be three main streams in the high schools under the new plan.

(i) General high school: in this type of high school, 80 per cent of the time will be devoted to general education and 20 per cent to vocational education;
(ii) Vocational high school: up to 40 per cent of the teaching in this type of school will be connected with vocational subjects;
(iii) Sanskrit high school: emphasis will be given to the teaching of Sanskrit.

High-school education will be made available to 50 per cent of students receiving middle-school education.

Teachers who have B.Ed., B.A. or any equivalent degrees and have received teacher training will be employed as high school teachers.

The present system of holding a nationwide competitive examination at the end of high-school education will be continued.

D. NATIONAL EDUCATION COMMITTEE

A high-level National Education Committee will be formed to implement the National Education Plan. This committee will work under the direct supervision of His Majesty or under the direction of a top-level and highly influential personality who can give effective guidance and leadership. The members of the National Education Committee will be appointed by His Majesty. The committee will have an executive office of its own and have the following functions:

(i) To formulate the necessary policies for the implementation of the New Educational Plan;
(ii) to bring about harmony and co-ordination between the activities of Tribhuvan University and the Ministry of Education;
(iii) to evaluate the achievements of the plan;
(iv) to give reports to His Majesty at regular intervals on the progress of education;

(v) to clarify those parts of the plan that need further elucidation.

E. METHODS OF TEACHING, TEXTBOOKS AND TEACHER TRAINING

A research project on the methods of teaching will be set up in each curricular area. Through these projects scientific methods of teaching will be explored, developed and applied.

Nepali will be the medium of instruction up to the high-school level and English at the third level.

Janak Education Materials Centre, in the form of a self-governing body, will produce and distribute textbooks on all school subjects. Private publishers will be encouraged to publish books according to outlines provided.

In order to expand the number of trained teachers according to the needs, teacher training will be given to the liberal arts students and education courses will be included in the faculty of arts institutes.

To upgrade teacher training, the curriculum and textbooks relating to teacher training will be made up-to-date and emphasis will be laid both on the content and the methods of teaching.

F. REFORM IN THE TEACHING PROFESSION

Educational services will be set up at the district level in order to regularize and give security to the teachers who are not on the government payroll. College teachers will be appointed by the University Service Commission. The salary of a teacher will be on a par with that of other government servants having similar qualifications. All teachers will receive a gratuity upon their retirement. The promotion of teachers will be based on academic qualifications, experience, outstanding service, health, work experience in remote areas and so forth.

G. REFORM IN EXAMINATIONS

The system of internal assessment will be applied and the achievements of the student all through the academic year will be taken into consideration for promoting him or her in the final examination. Model questions in the School Leaving Certificate Examination will be introduced.

H. EDUCATIONAL ADMINISTRATION

Planning and evaluation will be centralized while implementation will be decentralized. To facilitate implementation, regional directorates

will be set up in the Eastern, Central and Western wings of the country.

I. ORGANIZATION OF THE SCHOOL SUPERVISION SYSTEM

There will be separate supervisors for first-level, middle second-level and vocational education.

The position and qualifications of school supervisors will be as follows:

(i) The minimum qualification of the first-level school supervisor will be I.Ed or I.A., plus a diploma in teacher training. He will be a non-gazetted I class technical officer;

(ii) the qualification of a middle school supervisor will be B.Ed. or B.A., plus a diploma in teacher training. He will be a gazetted III class technical officer;

(iii) the qualifications of a high school supervisor will be B.Ed. or B.A., plus a diploma in teacher training. He will be a gazetted III or II class technical officer.

J. RATIO OF SUPERVISORS FOR DIFFERENT LEVELS OF EDUCATION

(i) Valley and tropical region:
One supervisor for thirty first-level schools;
one supervisor for fifteen middle schools;
one supervisor for ten high schools.

(ii) Hilly region:
One supervisor for twenty first-level schools;
one supervisor for ten middle schools;
one supervisor for seven high schools.

K. GRANTS-IN-AID

The government policy for grants-in-aid will be to encourage support in the running of schools by the local people. The government will disburse grants to the district and each school will be required to prepare its budget according to a fixed system. Every school will be required to submit its annual budget to the District Education Office and it is the responsibility of the headmaster to spend money according to the budget approved by the District Education Committee and to have the accounts audited. There will be a District Education Fund under the District Education Committee. The following sources of financing will go to the District Education Fund:

(i) Grants-in-aid from the government
(ii) Education tax
(iii) Tuition fees
(iv) Donations
(v) Income from the permanent assets of the schools
(vi) Income from donations and voluntary contributions

L. BASIS FOR GRANTS-IN-AID

The relevant school supervisor will determine the grants to be given to a school. The amount of grants will be fixed on the basis of the number of teachers and students in the schools, its curricular and extra-curricular activities, examination results and so forth. Under the new grants-in-aid scheme, the grants to a school will be determined according to its performance. The school will have to raise funds locally for its buildings, furniture and other non-recurring items of expenditure.

M. EXPENDITURE OF SCHOOLS

(i) First-level schools

The teachers' salaries, and other expenditures for first-level schools in remote areas, will be entirely borne by the government. In other places, only the teachers' salary will be paid in the form of grants by the government.

(ii) Second-level, middle school

The salary of middle school teachers in remote areas will be borne by the government. In other places 75 per cent of the teachers' salaries will be borne by the government.

(iii) Second-level, high school

The government will meet the total salary cost of general and vocational high school teachers in remote areas. In other places, 75 per cent of the vocational high school teacher's salary and 50 per cent of general high school teacher's salary will be borne by the government.

N. EXTRA-CURRICULAR ACTIVITIES

Extra-curricular activities will be an integral part of the educational programme. Efforts will be made to foster a sense of discipline,

self-reliance and responsibility in children through extra-curricular activities.

O. NATIONAL DEVELOPMENT SERVICE

Under the National Development Service scheme every student at the third level will be required to work in a village for one year.

The National Development Service will be divided into four teams: (a) Education Service Team; (b) Health Service Team; (c) Agriculture Service Team; (d) Construction Team.

The International Institute for Educational Planning

The International Institute for Educational Planning (IIEP) is an international centre for advanced training and research in the field of educational planning. It was established by Unesco in 1963 and is financed by Unesco and by voluntary contributions from individual Member States.

The Institute's aim is to contribute to the development of education throughout the world by expanding both knowledge and the supply of competent professionals in the field of educational planning. In this endeavour the Institute co-operates with interested training and research organizations in Member States. The Governing Board of the IIEP, which approves the Institute's programme and budget, consists of eight elected members and four members designated by the United Nations Organization and certain of its specialized agencies and institutes.

Chairman Torsten Husén (Sweden), Professor of Education and Director, Institute for the Study of International Problems in Education, University of Stockholm

Designated members Mrs. Helvi Sipilä, Assistant Secretary-General for Social and Humanitarian Affairs, United Nations
Duncan S. Ballantine, Director, Education Department, International Bank for Reconstruction and Development and International Development Association
Horst W. Quednau, Chief, Human Resources Development Department, International Labour Office
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The book

This case study on the financing of primary and secondary education in Nepal has been undertaken by the Ministry of Education in co-operation with IIEP. It includes an analysis of the Nepalese experience in educational financing between 1965 and 1970, a period during which major educational reform was taking place. One of the main focusses of the study is on the general effect of this scheme of decentralization of educational financing on the level and sources of funding, as well as on the expansion of primary and secondary education.

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